

PEOPLE
Tubal Quadruplets
Born in Australia
The world's first test-tube quadruplets, all boys, were reported in good condition after being delivered in Melbourne, six weeks ahead of schedule, by a team of doctors and nurses. The quadruplets, named the "Tubal" boys, were born in a Caesarean section. The parents of the babies, Mr. and Mrs. John and Mary Tubal, are from Australia. The quadruplets are the first of their kind to be born in Australia. The first twins were born in Australia, and the second twins were born in Australia. The third twins were born in Australia, and the fourth twins were born in Australia.

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Algeria	4.00	Den.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Austria	17.5	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Belgium	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Canada	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Cyprus	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Denmark	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Egypt	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
France	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Germany	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Greece	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Ireland	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Italy	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Japan	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Lebanon	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Luxembourg	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Netherlands	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Norway	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Portugal	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Spain	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Sweden	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Switzerland	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Turkey	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
U.S.	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
U.K.	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	
Yugoslavia	0.65	Fr.	1.00	Sw.	1.00	Nor.	6.00	N.M.	

Reagan Plans Talk On Soviet Ties as Signal to Kremlin

By Michael Getler and Don Oberdorfer
Washington Post Service

WASHINGTON — President Ronald Reagan is expected to make a major speech soon on U.S.-Soviet relations that administration officials say is meant to send a positive signal to the Kremlin.

The presidential speech is expected to come before Jan. 18, when Secretary of State George P. Shultz and Foreign Minister Andrei A. Gromyko are scheduled to meet in Stockholm at the opening of a 35-nation East-West conference on reducing the risks of war in Europe.

U.S. officials said the speech is meant to set a positive tone for that meeting, which is the first such encounter since September, when the Soviet downing of a Korean jetliner produced a clash in public and private between the two diplomats.

Since then, the Russians also have suspended all three sets of arms control negotiations that were in progress, and relations have remained strained.

Administration officials, in interviews Friday, said that a great deal of thought has been going into the state of relations with Moscow recently, and that several tactics were being considered on how to maintain pressure on Moscow, especially to return to the arms talks, yet remove obstacles that may be in the way of getting the relationship back to more normal status.

One element is the expected presidential speech, which administration officials described as a sign that Mr. Reagan was willing to deal with Moscow, was serious about improving the relationship



Marines ran to combat posts in Beirut as gunmen fired on U.S. helicopters.

Beirut Gunmen Fire on Helicopters, Kill Marine

Reuters

BEIRUT — A U.S. marine was killed on the West Beirut seafloor Sunday when gunmen fired on two helicopters about to take off for ships of the 6th Fleet.

Gunmen fired bullets and two rocket-propelled grenades toward the CH-46 Sea Knight helicopters at a Lebanese Army base at the northwestern tip of the city, the Marine spokesman, Major Dennis Brooks, said.

One marine on the ground was hit and died later in a Beirut hospital, the spokesman added. Two Lebanese soldiers were hit and wounded, state-run Lebanese radio said.

The marine was the first to die in Lebanon since Dec. 4, when a single mortar round killed eight in a position close to their main base at Beirut International Airport.

Meanwhile, the foreign ministers of Lebanon and Syria arrived in Riyadh for talks that Saudi sources said could be crucial to efforts to halt the bloodshed.

The ministers, Abdel-Halim Khaddam of Syria and Elie Salem of Lebanon, flew to Riyadh to join Prince Saud al-Faisal, the foreign minister of Saudi Arabia, which has been mediating in Lebanon since the summer.

Mr. Khaddam was quoted by the Saudi news agency as saying: "We will discuss whatever helps the restoration of peace and security in Lebanon and the achievement of national reconciliation."

The ministers were considering attempts to introduce a security plan to end five months of factional fighting by forming buffer zones on the traditional fronts around Beirut.

They were also expected to discuss the resumption of a Lebanese national reconciliation conference that adjourned in Geneva in November after failing to agree on the future of the Lebanese-Israeli troop withdrawal agreement of last May 17, which Syria and allied Lebanese factions have denounced.

Official Lebanese sources said prospects for a second round of Geneva talks depended largely on whether the initial security plan could be put into effect.

In Beirut, General John W. Vessey Jr., chairman of the U.S. Joint Chiefs of Staff, met with President Amin Gemayel on Sunday, and Lebanese sources said he expressed

S. Africa Begins Angolan Pullout

Foreign Minister Makes Offer to Hold Direct Talks With SWAPO Guerrillas

Reuters

JOHANNESBURG — South Africa announced Sunday that its troops have begun withdrawing from southern Angola. It also tentatively offered direct negotiations with the Namibian guerrillas it has been fighting during a monthlong incursion.

Foreign Minister R.F. Botha said Saturday night that he would be prepared to permit direct talks between a delegation headed by the administrator-general of South-West Africa, or Namibia, and the South-West Africa People's Organization.

General Magnus Malan, South Africa's defense minister, announced the troop withdrawal Sunday but warned that firm action would be taken again if necessary, "regardless of the consequences."

Senior military officials said Saturday that South African forces had killed 324 Namibian guerrillas, Cuban and Angolan soldiers in a three-day battle 200 kilometers (125 miles) north of the Namibian border.

[South Africa said it lost 21 men, The Associated Press reported.] The officials said the operations in Angola were being scaled down after achieving their aim of blunting an attempt by about 1,000 guerrillas to infiltrate Namibia.

This season of the year is the time when insurgents have usually sought to penetrate South-West Africa because the rains produce luxuriant foliage and thus cover guerrilla infantry, while muddy tracks slow their mechanized advances.

A South African official last month of a 30-day truce beginning Jan. 31 has been positively received by the guerrilla organization and Angola, but both sides have set potentially unacceptable conditions for a cease-fire.

SWAPO has fought a sporadic bush war for 17 years with South African troops along the territory's northern border with Angola.

South Africa refuses to consider statehood for Namibia unless 20,000 to 30,000 Cubans leave Angola. The demand, backed by the United States, has been a major obstacle to progress toward independence for the territory.

Underlying South Africa's concern over Namibia is a fear that independence could bring guerrilla war to the borders of South Africa.

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Soviet Hints at Rebuke of Pilot in KAL Attack

By John F. Burns
New York Times Service

MOSCOW — A Soviet Air Force magazine has published an article implicitly critical of the pilot who shot down a South Korean airliner four months ago.

The January issue of *Aviatsiya i Kosmonavtika*, which came out Saturday, also appeared to express disapproval of the conduct of officers on the ground who supervised the interception and destruction of the airliner.

Two hundred and sixty-nine persons were killed in the incident Sept. 1. The monthly said the key person in any air combat is the pilot and it is up to him in certain circumstances "to make the final decision," particularly when it involves identifying intruding planes and their country of origin.

The article criticized ground commanders who "hide behind others" and avoid judgments in difficult situations.

Although the article alluded to the downing of the South Korean airliner, it did not link its conclusions directly to the incident. But readers were likely to make the connection. Soviet statements have acknowledged

that the pilot who destroyed the airliner did not establish its identity.

The statements also placed responsibility on local commanders of the Air Defense Forces, acting on standing orders authorizing attacks on planes intruding into Soviet airspace.

The article was signed by Colonel General Sergei V. Golubev, an air force deputy commander in chief for combat training, whose responsibilities include the rules of engagement followed by the pilot who fired two heat-seeking missiles at the airliner over Sakhalin Island in the Soviet Far East.

The article, the main feature in the magazine, was illustrated with photographs of pilot flying Sukhoi-15 fighters, the kind used in the attack on the South Korean plane. The journal is distributed to flight crew rooms around the country, and there seemed no doubt that it would be read as a lecture on the lessons to be drawn from the downing of the airliner.

Soviet military commanders defended the decision to attack the airliner. But there have been reports that officers in the Far East command of the Air Defense Forces have been reassigned and demoted.

General Golubev laid the groundwork for his criticisms carefully. At one point in the article, he lauded pilots who took "extreme actions" against planes that entered Soviet airspace and refused to land, as the South Korean jet did. He said behavior in such circumstances should be modeled after a Captain Yeliseyev, who "some years ago" rammed an intruding plane rather than let it escape, killing himself in the process.

Western military attaches who read the article attached less significance to such passages than to those stressing the need for pilots and commanders to think for themselves.

Israel Denies Army Will Withdraw Unilaterally

By David K. Shipler
New York Times Service

JERUSALEM — The Israeli cabinet secretary denied Sunday that Israel was willing to withdraw its troops from Lebanon without a reciprocal pullout by Syrian forces.

The statement by the secretary, Dan Meridor, came in reaction to reports published last week in the Israeli press, and then circulated by U.S. officials in Washington, that Israel had revised its policy and was now willing to consider a pullout even with Syrian troops in place, in eastern and northern Lebanon.

Speaking to reporters after the weekly cabinet meeting, Mr. Meridor said: "Israel's policy is unchanged, and that has been explained last week to Donald H. Rumsfeld, the U.S. special envoy to the Middle East, who held talks in Jerusalem with Prime Minister Yitzhak Shamir and other officials."

"There is no truth in the reports of a change in the Israeli position in this matter," Mr. Meridor declared.

He said Israeli policy was based on the Israeli-Lebanese agreement of May 17, which "calls for the withdrawal of all foreign forces from Lebanon, Israel included, and of course, the Syrians and the PLO terrorist organizations."

"We insist on this policy," Mr. Meridor continued. "The Syrians and the PLO and Israel should leave Lebanon as part of a simultaneous withdrawal — Israel and the Syrian forces together. This is our policy."

The text of the May 17 agreement contains no reference to Syrian forces. It mentions only an Israeli undertaking to withdraw, provided that certain security arrangements are made in southern Lebanon. The Israeli position on a reciprocal Syrian withdrawal was reportedly contained in a secret letter or memorandum between Israel and the United States.

The reports denied Sunday by Mr. Meridor apparently originated in a background briefing given to Israeli journalists by Defense Minister Moshe Arens. Mr. Meridor's denial was partly an effort to soothe cabinet members who reportedly expressed annoyance at Sunday's meeting, that important government policy was being changed without cabinet approval.

Mr. Arens has made similar statements on the record before. In an interview last September with The New York Times, he said that Israel might pull out if the Lebanese Army could take over the abandoned positions, and might withdraw from the coastal and central areas of southern Lebanon if local militias become strong enough to prevent the Palestine Liberation Organization from returning to the region.

That view echoed an attitude that has been expressed by various Israeli officials in private almost from the time of the Israeli invasion of Lebanon in June 1982. The thinking has been that Syria should not be given a veto over Israeli

deployment, and that Israel should position its army to suit its security needs, not to reinforce a dogmatic demand that has little chance of being met.

This attitude has been bolstered by several factors. First, Mr. Arens has scaled down Israeli goals in Lebanon from the ambitious desire to realign Lebanese internal politics to the minimal objective of protecting Israel's northern border.

Second, continued casualties among Israeli soldiers from guerrilla attacks have weighed heavily on the Israeli public. A recent poll found a slim majority of Israelis saying that the war was a mistake. Third, a faltering Israeli economy has placed the government under pressure to cut budgets, and maintaining large numbers of troops in Lebanon is expensive.

The United States is believed to be opposed to any unilateral Israeli pullback that would create a vacuum and foster new fighting among Lebanese factions.

Kissinger Panel to Warn of Soviet 'Strategic Coup'

Central America Commission Will Urge \$8 Billion in U.S. Aid by 1990

By Seymour M. Hersh
New York Times Service

WASHINGTON — President Ronald Reagan's commission on Central America wants in its draft report that the Soviet Union be described as a "strategic coup of major proportions" in Central America.

The draft calls for a "new alliance for democracy and prosperity" in Central America at a cost of \$8 billion in U.S. aid by 1990.

The commission, led by former Secretary of State Henry A. Kissinger, recommends in the draft "significantly increased" military aid to El Salvador to counter what it depicts as a "direct threat to U.S. security interests."

The draft recommended perhaps as much as \$400 million in additional military funds for El Salvador in 1984 and 1985.

Commission members and aides, in interviews, confirmed that much of the original language in the draft, which was still open to revision during the weekend, would be in the final report scheduled for delivery to President Reagan on Wednesday.

The draft also proposes increased military aid to Honduras "to build a credible deterrent" and the resumption of military aid and direct arms sales to Guatemala that were cut off during the Carter administration in response to human rights violations.

The commission's draft calls for the repeal of 1974 legislation in the Foreign Assistance Act barring the use of U.S. aid for the training or support of police forces and also

Tunisian Aide Dismissed; Portfolio Is Transferred

By Henry Kamm
New York Times Service

TUNIS — President Habib Bourguiba of Tunisia has dismissed his interior minister and added the portfolio to that of Prime Minister Mohamed Mzali.

The changes Saturday ended speculation that Mr. Mzali might lose his job because of rioting over an increase in the price of bread.

Mr. Bourguiba rescinded the price increase Friday after the violence had caused an unknown number of deaths.

Interior Minister Driss Guiga, who was in charge of the police and local administration, was evidently chosen to take the blame for not preventing the riots. Nonetheless, Mr. Mzali paid Mr. Guiga routine tribute for a job well done. No official reason for his removal was announced.

Tunisia continued under the state of emergency, which was proclaimed when rioting spread Tuesday from the provinces to the capital. Armored cars and personnel carriers continue to guard intersections, public buildings and the presidential palace outside Carthage. A nighttime curfew remains in effect.

But with the price of bread and other cereal products, the staples of the Tunisian diet, reduced from the 80- to 110-percent increases decreed at the beginning of this year, much of the tension has dissipated.

Many citizens were as enthusiastic in their praise of Mr. Bourguiba as were the government-dominated press, radio and television.

Mr. Bourguiba is president for

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Soviet Journal Discovers Big Brother — in the White House

By John F. Burns
New York Times Service

MOSCOW — A Soviet political journal claims to have pinpointed the real-life version of George Orwell's novel "1984" — in the United States, under a "Big Brother" named Ronald Reagan.

The current issue of the weekly New Times, published in Russian and in several foreign languages, including English, contends that all the characteristics of Orwell's nightmare society, including Newspeak, the Thought Police and a Ministry of Truth, have their counterparts in modern America.

The article broke a silence that Soviet news organizations have maintained on the Orwell book in recent weeks. While Western publications heralded the new year with profiles of Orwell and fresh assessments of his most famous work, Soviet journals shunned the

subject, reflecting official sensitivities dating from the novel's publication in 1949.

Many Western travelers arriving at Soviet border points with copies of "1984" or of Orwell's other major satire of totalitarianism, "Animal Farm," have had the books seized. Neither has been published here, and official condemnation of them has been taken in the West as an implicit recognition of the parallels between Orwell's vision and aspects of Soviet society.

But Viktor Tsoppo, a New Times writer, dismisses such conclusions. Acknowledging that "for more than 30 years this novel has been interpreted as a portrait of Soviet society and of real socialism in general," he concludes that those "jabbing fingers at our country" have completely misunderstood Orwell, who he says intended his book as a warning of what lay ahead for the capitalist West.

"His novel is a grim warning precisely to bourgeois society, bourgeois civilization, bourgeois democracy

— in which, as he feared, the poisonous roots of anti-humanism, anti-decaying militarism and oppression have today thrust up truly monstrous shoots," he wrote.

Mr. Tsoppo sought to bolster his case with quotations from "1984," the first time in the memory of Westerners here that the novel has been quoted directly. One quote came from one of the book's most powerful passages, depicting Oceania, which includes Britain and the Americas, as a place where incessant propaganda and surveillance have produced a society in which "complete uniformity of view on all subjects" is possible.

That sequence has often been cited by critics of the Soviet Union as evocative of the worst aspects of Stalinism. But Mr. Tsoppo found in a reflection of modern America, where, he said, the "rule of omnipotent Big Brother, who is changed every four years, is undivided and uncontrolled."

In Ronald Reagan, the writer said, Americans have a leader who claims to be "the inexhaustible source of wisdom, happiness and virtue."

Quoting from "1984," Mr. Tsoppo summoned up Orwell's vision of a society in which the Thought Police watch citizens whether they are awake or asleep, in bath or in bed, and monitor friendships, families, even thoughts uttered in sleep.

"Doesn't that sound just like a directive of the FBI?" he asked.

A few days ago an article in Izvestia, the government newspaper, offered a vision of what life would be like in the year 2084. Under the headline "A World That Will Be Lovely," young authors belonging to the state-controlled writers' union envisaged a society in which weather will be controlled and people will live longer and have more time for the creative arts.

"Naturally, the new society will be Communist," they said.

Habré Refuses to Join Chad Talks After Goukouni Gets Big Welcome

The Associated Press

ADDIS ABABA, Ethiopia — President Hissène Habré of Chad refused Sunday to participate personally in the peace talks here with the leader of the Libyan-backed insurgents and is instead sending a delegation headed by his interior minister. The talks are to open Monday under the sponsorship of the Organization of African Unity.

The Chad ambassador in Paris, Ahmed Allammi, explaining Mr. Habré's decision not to attend the talks, cited the high-level welcome given to the insurgent leader and former president of Chad, Goukouni Oueddei, when he arrived in Addis Ababa Sunday morning.

Mr. Allammi said that the government side would be represented at the talks by Taher Goussoun, minister of interior and security in the Habré government.

The acting secretary-general of the OAU, Peter Oni, asked whether the negotiations could proceed without Mr. Habré, replied: "It is something we have to be looking at. It will have to be discussed."

African and Western diplomatic sources said Mr. Habré, who had been assured he would be treated as a head of state upon his arrival in Addis Ababa, strongly opposed granting Mr. Goukouni similar status.

Mr. Goukouni was met at the capital's Bole International Airport by Lieutenant Colonel Mengistu Haile Mariam, the current OAU chairman, who called the talks, and five other members of Ethiopia's Marxist Ruling Provisional Military Administrative Council.

However — unlike at the arrival of most state visitors — there was no military guard of honor for Mr. Goukouni to review.

In Paris, Mr. Allammi indicated that Mr. Habré's decision was not linked to the unexpected death Saturday of his foreign minister, Idriss Miskine, from what official sources said was an acute attack of malaria.

Mr. Miskine, 35, died after he returned from Addis Ababa on Thursday after making final preparations for the conference, the sources said.

The OAU's aim is to bring Mr. Habré's government together with the many political factions in the country in an attempt to end 18 years of civil war.

Mr. Habré's government had expressed skepticism over the outcome of the Addis Ababa conference. It had wanted a two-sided meeting between the government delegation and opposition groups that support Mr. Goukouni.

Mr. Goukouni, president of Chad until he was toppled in June 1982 by Mr. Habré, his former defense minister, flew in by way of Libya from the northern Chad region that is occupied by his faction, a spokesman said. He arrived with a 130-member delegation.

Had Mr. Habré decided to attend, the talks would have been the first face-to-face confrontation between Mr. Habré and Mr. Goukouni since they were together in the same government four years ago.

An OAU spokesman said 11 Chad factions had been invited to



Hissène Habré

attend. The Chad Embassy in Paris said over the weekend that six other groups, including several supported by Libya, also had been asked to come.

Some of the factions have headquarters abroad, in Nigeria, Cameroon and France.

Arafat-Hussein Dialogue Is Expected to Resume

By Henry Kamm
New York Times Service

TUNIS — A close associate of Yasser Arafat has said that the leader of the Palestine Liberation Organization will meet soon with King Hussein of Jordan to discuss ways of realizing what he calls their "agreed targets" — a confederation of Jordan and a sovereign Palestinian state.

Khaled al-Hassan, a member of the central committee of el-Fatah, the largest PLO guerrilla group, which Mr. Arafat heads, said Saturday that the meeting with the king might take place before the Islamic conference that is to open in Casablanca, Morocco, on Feb. 12.

Mr. Hassan said he had met with Hussein in Paris some weeks ago to discuss the meeting.

Mr. Hassan added that the meeting should be read as a reiteration of the PLO's rejection of President Ronald Reagan's 1982 peace plan, which provides for Palestinian autonomy under Jordanian administration.

He said the PLO and Jordan were firm on striving for a confederation in which both entities would retain sovereignty.

Mr. Hassan, interviewed in his villa in an exclusive seaside suburb, said he was speaking officially for el-Fatah. He said a series of meetings in Tunis was considering a strategy for the PLO after Mr. Arafat and his followers fled Tripoli, Lebanon, under pressure by PLO rebels supported by Syria and Libya.

He said Mr. Arafat and his associates resented Western press reports describing their departure from Tripoli as a defeat. He said the Palestinian evacuation from Beirut in 1982 was a loss, because it obliged the Palestinians to give up positions that were used in the military struggle against Israel. He said the Palestinian struggle was not in a military phase now.

"As far as the Arab armies are concerned, the military option is not viable now," Mr. Hassan said. "We have finally accepted to deal with international legality. It is to have two states in one country."

Asked whether this meant the PLO now recognized Israel, Mr. Hassan replied that this was "the question of the devil." He avoided a direct reply by answering, "When I say two states in one country, that is very clear."

Mr. Hassan acknowledged that, after Mr. Arafat's break with Syria and Libya, the PLO seemed to be drawing nearer to Middle Eastern countries that are considered more moderate.

But, he said, Jordan sided fully with Mr. Arafat's rejection of the Reagan plan and backed Palestinian sovereignty. And, despite Mr. Arafat's meeting in December with President Hosni Mubarak of Egypt, Mr. Hassan said it was too early to speak of a resumption of the close relationship that the Palestinians repudiated after President Anwar Sadat signed the Camp David agreement with Israel.

"But Mubarak is not Sadat," Mr. Hassan continued, calling the

Egyptian president's attitude "very encouraging."

Mr. Hassan said Mr. Arafat was not giving interviews. "He needs some time to calm himself. It is not our plan to let him talk for now." He said this had been a decision of the Fatah central committee, with Mr. Arafat's agreement, and not a criticism of the chairman.

Democrat Urges U.S. to Leave Beirut

By Leslie Maitland Werner
New York Times Service

WASHINGTON — Representative Robert T. Matsui, Democrat of California, has called for the immediate withdrawal of U.S. Marines from Lebanon.

"It is time to bring our marines home from Lebanon," he said Saturday. "Not tomorrow. Not at some vague distant date. But now."

Mr. Matsui made the call in the weekly Democratic radio address. Mr. Matsui, a member of a monitoring group on Lebanon headed by Thomas P. O'Neill Jr., the speaker of the House, went further in advocating a withdrawal than Mr. O'Neill did after meeting with the group Tuesday.

Mr. O'Neill had said: "Patience in Congress with administration policies in Lebanon is wearing very thin."

But he said the Democrats wanted to give President Ronald Reagan an opportunity to undertake new diplomatic efforts before trying to force his hand.

Mr. Matsui said in his address: "The first step toward peace is to bring our men home and defuse the hostilities in Lebanon by changing the American profile from one of a marine with an M-16 to a diplomat with a real mission." He said the marines were a "lightning rod for terrorism."

All the candidates for Democratic presidential nomination except Senator John Glenn of Ohio have called for a withdrawal from Lebanon.

U.S. Rejects Redeployment

The Washington Post reported from Washington:

The Reagan administration, anxious to avoid fresh congressional debate about the marines, has rejected a proposal to help the Lebanese Army extend its authority by redeploying some marines along Lebanon's southern coast for the time being. U.S. and diplomatic sources said Friday.

The United States wants to defer a decision about moving the marines from Beirut International Airport or even withdrawing some until it has a better idea of whether new security arrangements being worked out by the warring Lebanese factions can be implemented successfully, they added.

Gunmen Fire on Helicopters In Beirut, Killing Marine

(Continued from Page 1)

support for efforts to build up the Lebanese Army and obtain the withdrawal of foreign troops.

They said that General Vessey, who arrived Saturday on an unannounced visit, told Mr. Gemayel that the United States backed his efforts to extend state authority throughout Lebanon and that the Marines would remain until this was achieved.

The Lebanese Army and rightist Christian militias have been fighting Druze and Shiite Moslem combatants.

■ Senators Tour Beirut Base

Joseph B. Treaster of The New York Times reported earlier from Beirut:

Two marines were slightly injured Saturday when a shell exploded as two Republican senators, John G. Tower of Texas, chairman of the Senate Armed Forces Committee, and John W. Warner of Virginia, visiting their base, a Marine spokesman said.

Before visiting the Marines, the two senators met with President Gemayel, who told them that the role in support of his policies and that their withdrawal would be harmful to Lebanon, a government official said.

At the U.S. base, the senators, wearing bullet-proof jackets and steel helmets, were briefed by the unit commander, Brigadier General James R. Joy, as machine-gun

fire sparked and mortar shells exploded with flashes and clouds of black smoke on nearby hills.

In another development, Israeli tanks and armored cars moved toward Beirut and were reported to have raked a main street in the port city of Sidon in Israeli-occupied southern Lebanon three times with machine-gun fire Saturday morning, wounding three persons and damaging more than 20 cars.

One of the wounded was Nazih Mustafa, a reporter for Reuters news agency. An Israeli military spokesman in Tel Aviv said the reports of Israeli tank crews firing machine guns in the streets of the city were "completely untrue."

Contraceptive Maker Found Guilty in U.S.

United Press International

EUGENE, Oregon — A U.S. District Court jury has found the maker of the Dalkon Shield contraceptive device, A.H. Robins Co., guilty of selling a "dangerously defective" product between 1971 and 1974, but he cleared the company of negligence.

The unanimous verdict Saturday by the four-man, four-woman jury opens the way for 12 other suits in Oregon against A.H. Robins. Thirteen women say use of the intrauterine device, which is no longer on the market, caused pelvic infections that limited their reproductive abilities.

WORLD BRIEFS

Reagan Says Socialists Share Values

WASHINGTON (AP) — President Ronald Reagan said in an interview with a French newspaper that Western European countries that have Socialist governments still share basic values, including individual liberties and respect for democracy.

The president's comments came in transcripts released Saturday by the White House of written answers to questions submitted by the rightist French newspaper, Le Figaro. The replies followed an interview in the White House on Dec. 22.

Asked whether he thought that Socialist countries of Western Europe help Communists undermine the West, Mr. Reagan replied, "Many of our staunchest allies have democratic Socialist governments: France is one of them." He added: "Among friends there can be differences in economic philosophy, but this is not so important when we share basic values such as respect for democracy, individual liberties and human dignity."

U.S. Choice of Papal Envoy Expected

WASHINGTON (LAT) — President Ronald Reagan is expected this week to appoint William A. Wilson, a Los Angeles real estate magnate and an informal presidential adviser, as the first U.S. ambassador to the Vatican.

Mr. Wilson has served since March 1981 as Mr. Reagan's special representative to the Vatican, a \$1-a-year job that has ambassadorial rank but does not require Senate confirmation. The ambassadorial post, approved by Congress in November, will require confirmation.

Before the approval, a law banning an official U.S. diplomatic mission to the Vatican had been in existence since 1867. Richard G. Lugar, Republican of Indiana and chairman of the European affairs subcommittee of the Senate Foreign Relations Committee, introduced legislation to repeal the ban last year. A similar bill was introduced in the House.

Bonn Expects Attacks on U.S. Bases

BONN (UPI) — West German intelligence sources said Sunday they expected new attacks on U.S. bases during the continuing installation of U.S. cruise and Pershing-2 missiles.

The sources said police intelligence officers had information that among other groups, the leftist Revolutionary Cells organization, which has been responsible for a number of attacks on U.S. soldiers and bases, was planning major assaults on U.S. Army posts.

The sources said a secret document intercepted from the group had expressed disappointment with the failure of the anti-missile demonstrations in October to hinder deployment of the missiles. "That must now be changed," the letter said. "We cannot be frustrated now, but must attack with all resources in the coming months."

Swiss Socialists Draft Coalition Plan

BERN (AP) — The leaders of Switzerland's Social Democratic Party, the principal loser in October's general election, completed preparations during the weekend for a possible departure from the government coalition that has ruled the country since 1959.

The party's executive committee finished drafting a paper that will be discussed at an extraordinary party congress Feb. 11 and 12. Although the paper lists several alternatives, Helmut Hubacher, the party president, and a majority of the committee reportedly are in favor of ending the coalition with its non-Socialist partners.

The issue of leaving the coalition arose last month after Parliament failed to back Lili Uchtenhagen, the Socialists' official candidate and the first woman to stand for the country's seven-member Federal Council. Instead, the Parliament elected Otto Stich, who was refused party support, to fill the Social Democratic vacancy in the council.

Zhao-Reagan Talks Set for Tuesday

WILLIAMSBURG, Virginia (UPI) — Prime Minister Zhao Ziyang of China and President Ronald Reagan are scheduled to meet Tuesday to discuss the development of relations based on expanding trade and technology.

Mr. Zhao is the highest-ranking Chinese official to come to the White House since Deng Xiaoping, China's foremost leader, visited in 1979 to mark the full restoration of diplomatic relations.

After a 26-hour stopover in Hawaii, Mr. Zhao left Sunday afternoon on a flight to Williamsburg. Mr. Zhao's talks Tuesday with Mr. Reagan are likely to be dominated by trade matters, and the Chinese leader is expected to sign an agreement on industrial cooperation.

Mitterrand Visits Armenians in France

VIENNE, France (AP) — President François Mitterrand, in an unannounced visit to an Armenian group celebrating the Armenian Orthodox Christmas in this town just south of Lyons, said France honored a community marked by the tragedy of genocide. But he strongly condemned Armenian terrorism.

Mr. Mitterrand was alluding to the Armenian claim that as many as 1.5 million Armenians were massacred by Turks during and after World War I. Armenians have carried out attacks on Turks and Turkish interests to avenge the massacre. The Armenian community in France, estimated at between 200,000 and 300,000 people, is one of the world's largest, and many of the terrorist attacks have taken place in France.

Mr. Mitterrand praised the traditions and culture of the Armenian people before referring to terrorist acts as a bomb explosion in July that killed six persons near a Turkish Airlines counter at Orly Airport outside Paris. He said the Armenian cause had sometimes been "led astray through violence" and said that France would "never accept terrorism."

Kahane Surrenders, Is Freed on Bail

TEL AVIV (Reuters) — Rabbi Meir Kahane, leader of the extremist Kach Movement, was released on bail Sunday after surrendering to police who charged him last week with incitement to riot.

Rabbi Kahane slipped away from police Thursday after he was arrested on charges of organizing a demonstration in support of a Jewish extremist group that has claimed responsibility for grenade attacks on Moslem and Christian religious sites.

He went into hiding and said he would turn himself in only if police promised to release him on bail. A court judge turned down a police request that he be jailed for three days and released him on the equivalent of \$220 bail.

In-Law Will Face Gandhi Son in Vote

NEW DELHI (Reuters) — Prime Minister Indira Gandhi's daughter-in-law, Maneka Gandhi, announced Sunday that she would run for Parliament in a constituency held by her brother-in-law, Rajiv Gandhi, who is widely regarded as the prime minister's political heir apparent.

Maneka Gandhi, 27, is the widow of Mr. Gandhi's son Sanjay, who died in a plane crash in June 1980. Last March, Maneka Gandhi launched the Rashtriya Sanjay Manch, an American community organization. At a news conference here Saturday, she said the organization would present 200 candidates for elections that must be held by January 1985. There are 544 seats in the Parliament's lower house, where Indira Gandhi's Congress-I Party has a two-thirds majority.

Maneka Gandhi's party is expected to concentrate on the northern state of Uttar Pradesh, a Congress-I stronghold. Maneka Gandhi will challenge Rajiv Gandhi in the Amethi constituency of Uttar Pradesh, a seat that had been held by her husband.

Political Ban Is Relaxed in Bangladesh

DHAKA, Bangladesh (Reuters) — Lieutenant General Hussain Mohammed Ershad, the nation's military ruler, has restored limited political activity in Bangladesh to mark the beginning of formal talks with opposition figures.

From now on, the ban on indoor political activity is hereby lifted," he told a gathering of political leaders invited to discuss his plans for what he has called a transition to democracy and opposition demands for a change in a proposed election timetable. A total of 41 political parties attended the talks. However, leaders of the country's two main opposition parties were absent.

General Ershad, who seized power in March 1982 and declared himself president last month, has scheduled a presidential election for May 24 and parliamentary elections for next November. Opposition leaders want a martial law lifted and parliamentary elections scheduled for March, in advance of the presidential vote.

For the Record

Rory O'Brady, 51, former president of Sinn Féin, the political organization of the outlawed Irish Republican Army, was seriously injured Saturday in a car crash in County Kildare, Dublin police reported. He served as Sinn Féin president for 14 years and was replaced in November by Gerry Adams of Belfast. (AP)

The Argentine inflation rate rose to 433.7 percent in 1983, believed to be the world's highest rate for the second year in a row, according to figures released Saturday by the government. The 1982 inflation rate in Argentina was 209.7 percent. In June, the government issued new 100 peso notes that were worth one million old pesos. (UPI)

Contadora Peace Bid Stalled by New Proposals

United Press International

PANAMA CITY — Central American foreign ministers at a meeting of the called Contadora peace group have failed to agree on a proposal aimed at ending fighting in the region, officials said Sunday.

El Salvador, Costa Rica and Honduras blocked the agreement at Saturday's meeting, making a counterproposal to the 21-point Contadora plan.

Panama's foreign minister, Edgardo Paz Barrica, played down the split, saying the counterproposal was "a proposal that strengthened, broadened, developed and complemented the Contadora document."

Foreign ministers from the Contadora group — Mexico, Colombia, Panama and Venezuela — opened weekend meetings with their five Central American coun-

terparts hoping to work out final details of an agreement.

The group, named after the Panamanian resort island where the ministers first met a year ago, hoped to base an accord on a call for removal of all foreign military advisers and an arms freeze in the region.

But then the counterproposal, called "Means and Recommendations for the Execution of the Document of Objectives," was announced and hopes for an agreement faded.

Guatemala's foreign minister, Fernando Andrade Diaz-Durán, said his country participated in the counterproposal, though it did not formally join the other three countries in its endorsement.

Oscar Viñoles Mejía, the Guatemalan president, said he had instructed Mr. Andrade not to sign

an agreement unless it included the repatriation of about 35,000 refugees living in Mexico.

"We asked the Mexican government, taking into account that it is one of the referees of the regional peace treaty, to work out a clause that would seek the return of these refugees to their homes," Mr. Mejía said.

The proposals, revealed in part by the Honduran government Friday, include a census of military installations, armaments, troops and militia members in each country.

Honduras has proposed a count of foreign military advisers and the identification of all irregular forces trying to destabilize established governments.

Nicaragua's foreign minister, Miguel D'Escoto Brockmann, said the document amounted to a counterproposal to the 21-point plan

that could stall an agreement for months.

"I believe the Contadora initiative should not be boycotted by making counterproposals all the time," Mr. D'Escoto said. "Although their rhetoric says they accept it, when the proposals are presented they are completely different."

No date has been set for the group's next meeting.

In another development, the Nicaraguan Foreign Ministry sent a protest note to the U.S. State Department saying that aircraft and speedboats used in recent attacks by anti-government rebels had been launched from U.S. Navy vessels stationed off Nicaragua.

The note also said an attack Saturday on a sugar mill by the boats and planes was designed to ruin any chance of success for the Contadora meeting.

Kissinger Commission Sees Threat of Soviet 'Strategic Coup'

(Continued from Page 1)

bate over Vietnam. It argues that U.S. policymakers cannot be content with a military stalemate, the situation that it says now exists.

"In a guerrilla war," the report says, "a stalemate is not the same as a balance of power. It is in the nature of such a war that the insurgency is winning if it is not losing, and the government is losing if it is not winning."

The commission warns that the current levels of military aid to El Salvador "are not sufficient to preserve even the existing military stalemate over a period of time." Without drastic action, the draft report says, "a sudden collapse is not inconceivable."

To prevent this, the commission draft outlines what it says are basic requirements. These include:

- More Salvadoran soldiers and training to create units capable of more flexibility and greater firepower.
- Increased air and ground mobility to reinforce ambushed troops and otherwise counter widespread guerrilla activity.
- A "much larger" stock of

equipment and supplies to make possible a consistent war effort.

- Improved medical evacuation ability to reduce the fatality rate.
- Funds to permit the Salvadoran Army to retain trained personnel for additional tours of duty.

"There might be an argument for doing nothing to help the government of El Salvador," the commission argues. "There might be an argument for doing a great deal more. But what there is no logical argument for is giving some aid but not enough. The worst possible thing for El Salvador would be to provide just enough aid to keep the war going, but too little to wage it successfully."

The commission deals cautiously with the linkage between increased military aid and human rights. In November, President Reagan provoked a congressional outcry by vetoing legislation that would have retained the conditions on U.S. military aid to El Salvador, requiring a certification of progress there in human rights, democratization and land redistribution.

In its draft, the commission proposes two options for dealing with

the linkage of human rights to increased military aid. Both include as a basic requirement the necessity for the Salvadoran military to be able to "carry out U.S.-style counterinsurgency."

Once the army reaches that level of competence, with U.S. aid, the first option calls for the monitoring of human rights compliance through individual Salvadoran Army units, coming off violating units from access to U.S. arms.

The second, more stringent, option, proposed by William F. Clements Jr., a commission member who is a former Republican governor of Texas, calls for "strict conditions" to be enforced on U.S. aid, but not until the aid reaches recommended levels.

Under this option, the United States would be obligated to commit itself to a fixed period of uninterrupted aid — two years, the draft suggests — with the government of El Salvador obligated within the same period "to put an end to human rights abuses."

The draft chapter makes no mention of specific amounts in pro-

posed U.S. aid for Honduras, Guatemala and El Salvador.

However, it does cite, with obvious approval, a Pentagon estimate "that it would take approximately \$400 million in additional U.S. military assistance over the calendar years 1984 and 1985 to break the military stalemate and carry out the National Campaign Plan."

The commission estimates Central America's long-term economic needs through 1990 to be "as much as \$24 billion," with half of that total being supplied by the World Bank, International Monetary Fund and the Inter-American Development Bank and by private investors and commercial banks.

"The balance," the draft chapter says, "as much as \$12 billion, would have to be supplied by the United States, either through bilateral or multilateral programs. At an annual rate, this would represent more than a doubling of the current levels of economic assistance; this means that over the next five years that region would require some \$8 billion in U.S. assistance in various forms."

Congressional aides, told some of the details of the commission's draft chapter on economic recovery, insisted that Congress would not approve such expenditures.

Senior White House officials also were reported Saturday to have expressed skepticism upon hearing reports that the commission was expected to recommend a huge aid program.

The long-term economic program calls for, among other things, insurance guarantees for private concerns and investment companies; extensive credits for agricultural development, including financial aid for land redistribution; improvements in health care and food support; population programs; and a revitalized commitment to university education and public service, including the expansion of Peace Corps activity.

AMERICAN TOPICS

Coffee Ads on TV
Brew Up a Storm

A television advertising campaign seeking to woo a "new coffee generation" among young adults has come under fire from a consumer advocacy group as misleading and dishonest. Using rock musicians, sports stars and theater personalities, the commercials, sponsored by the National Coffee Association and the International Coffee Organization, promote coffee as a drink of young adults. But the Center for Science in the Public Interest is particularly incensed that the commercials portray coffee as a security-inducing beverage. Coffee, the ads assert, "lets you calm yourself down and picks you up."

Instead, argues the Center for Science, Michael Jacobson, "The coffee in coffee is a stimulant of the central nervous system and promotes anxiety, jitteriness and insomnia, not calmness or serenity." His group has asked the Federal Trade Commission, which polices advertising, to halt the coffee industry's claims.

U.S. coffee consumption has been sliding for the past 20 years, and the new \$20-million campaign is part of the industry's effort to arrest the decline among the 18- to 34-year-olds. The industry says that in 1982, 81 percent of Americans 20 to 29 years old drank coffee; in 1983, only 42 percent of that target age group were coffee drinkers. Meanwhile, soft drink consumption has boomed over the last two decades.

William J. Brooks of the National Coffee Association denied that normal coffee consumption caused health problems cited by the consumer group. And, he added, "Ask most people who drink coffee what they get out of a coffee break and they'll tell you it's a relaxing moment that restores vitality — and that's exactly what we mean."

Notes on People

The Smithsonian Institution is seeking a successor to its retiring secretary, S. Dillon Ripley, 70, who has directed the complex of institutions fondly called "the nation's attic" for two decades. A search committee chaired by William Bowen, president of Princeton University, said that no choices have been made and that candidates are still being identified. Last week the names of Peter Raven, director of the Missouri Botanical Garden in St. Louis, and Thomas L. Lowery, vice president for science at the World Wildlife Fund Inc.-U.S., and Robert McCormick Adams, provost of the University of Chicago and former director of the school's Oriental Museum, were cited by several sources as leading contenders.

A grandmother in Milford, Connecticut, who has been an adult volunteer for the Boy Scouts since 1953, Catherine



Catherine Pollard

Pollard, has won a sex discrimination complaint against the Boy Scouts of America for their refusal to offer her a scoutmaster's post. A hearing officer for the Connecticut Commission of Human Rights and Opportunities ruled in her favor last week, but the Boy Scouts said they would appeal to the state Superior Court. They argued that boys needed male, rather than female, role models.

A Daiquiri Toast
To Army and Navy

The Army and Navy Club in Washington, which has claimed the daiquiri, the rum and lime juice drink, as its own ever since a member supposedly introduced it to the United States, has closed its doors for a two-year reconstruction project.

The club's roster has included such names as Grant, Pershing, Nimitz, MacArthur, Eisenhower and Patton, but it now lists only about 800 members — whose average age is in the low 60s. Club officials hope new facilities such as squash and basketball courts will boost the membership of the 99-year-old club, which also has a 22,000-volume library of military history.

U.S. Bank Failures
Highest Since 1939

U.S. government bank regulatory officials blame the recession and sharply fluctuating interest rates for the failure of 48 banks last year, the most since 1939, when 60 banks failed. The 1983 figure topped the previous year's bank failures by six.

Director of Peace Corps
Secretly Taped Deputy;
Bid to Trap Him Seen

By Howard Kurtz

WASHINGTON — The director of the Peace Corps, Lore M. Ruppe, secretly tape-recorded her deputy, Edward A. Curran, during a meeting last summer in which Mrs. Ruppe questioned Mr. Curran about their difficulties in getting along.

Agency employees on both sides of the dispute say that Mrs. Ruppe was apparently trying to trap Mr. Curran into making statements that she could use to convince her allies in the White House that he should be dismissed.

Mrs. Ruppe declined to answer questions about the issue, but a Peace Corps statement acknowledged that the recording had been made.

Mrs. Ruppe recorded the discussion July 12 with a dictating machine. She later had part of the tape erased, agency sources said. "The incident was reviewed by the White House counsel, Fred F. Fielding. His office reportedly found that the taping violated agency rules but was not illegal."

This is the second recent taping incident in the Reagan administration. Charles Z. Wick, the director of the U.S. Information Agency, acknowledged last month that he had recorded telephone conversations, sometimes without telling his callers he was doing so.

Mrs. Ruppe requested the July meeting after she had stripped Mr. Curran of most of his responsibilities, including the right to serve as acting director in her absence. But she was told in writing by the White

House that she had no authority to do that to Mr. Curran, a presidential appointee.

Although Mrs. Ruppe declined to answer questions, a Peace Corps spokesman issued the following statement:

"A single taping occurrence took place last July as Mrs. Ruppe was leaving the country for an extended time and felt it advisable to ensure a record of the final meeting with her deputy prior to her departure."

"This incident was reviewed by agency counsel, who determined that there was no violation of federal law. Upon Mrs. Ruppe's return, however, she was apprised that it was against agency policy."

The incident brought to a head the tensions between Mrs. Ruppe, a moderate Republican and the Michigan chairman of George Bush's 1980 presidential campaign, and Mr. Curran, a conservative who became her deputy after he resigned as director of the National Institute of Education in June 1982.

The taping incident was first reported last summer by The Washington Times.

Peace Corps sources said Mrs. Ruppe called Mr. Curran after the White House forced her to rescind the order delegating most of his duties to another aide. Mrs. Ruppe pressed Mr. Curran to outline his complaints, the sources said.

Later that day, sources said, Mr. Curran and an aide heard Mr. Curran's voice from Mrs. Ruppe's office. They said Mr. Curran stormed in and demanded and received the tape, which had been partly erased.

29,000 U.S. Warheads
Are Foreseen for 1990

By Richard Halloran

WASHINGTON — A private study of the U.S. nuclear arsenal estimates that the present stockpile of 26,000 warheads will grow to 29,000 by 1990, with most of the current warheads being replaced by new ones.

The study, in a booklet titled "U.S. Nuclear Forces and Capabilities," says 2,000 warheads are produced each year by the Department of Energy. At full capacity, the department turns out eight new warheads each working day and retires five obsolete warheads, the study says.

The report notes that the proportion of smaller, shorter-range tactical weapons has dropped while that of larger, longer-range arms has risen.

Following a longstanding policy on most nuclear matters, government spokesmen neither confirmed nor denied the accuracy of the information in the booklet.

It is the first of eight being published by the Natural Resources Defense Council, a nonprofit group that says it seeks to protect endangered natural resources and

the human environment. Soviet nuclear weapons will be covered in a later volume, the council says.

The report was compiled by two physicists, Thomas B. Cochran and Milton M. Hoening, and William M. Arkin, an analyst of nuclear weapons.

The booklet says that the U.S. nuclear arsenal grew slowly after the atomic bombings in 1945 of Hiroshima and Nagasaki until 1955, when President Dwight D. Eisenhower and his secretary of state, John Foster Dulles, put heavy reliance on nuclear arms.

From then until 1967, the arsenal grew to a peak of 32,000 warheads. Then it declined as emphasis was put on developing "smaller, more accurate warheads, as older warheads were retired and as the war in Vietnam consumed much of the military budget.

The stockpile leveled off at 25,000 from 1978 to 1982, then began creeping up again last year. That was a consequence of nuclear weapons stockpile memorandums signed by President Jimmy Carter in 1980 and by President Ronald Reagan in 1982 increasing warhead production.



Jacobo Timerman after his return to Argentina.

Timerman in Argentina
To 'Prosecute' Torturers

By Kenneth Freed

BUENOS AIRES — Jacobo Timerman, journalist and author whose imprisonment and exile by Argentina's military regime attracted worldwide attention, has returned here more than four years after he was stripped of his nationality and expelled.

In a telephone interview Saturday, Mr. Timerman, 61, said he came back "to prosecute the people who tortured me and to get back my newspaper."

During his exile, Mr. Timerman gained renown with his book "Prisoner Without a Name, Cell Without a Number," in which he described his arrest without justification in 1977, his torture at the hands of his jailers and the seizure by the government of his property, including the newspaper La Opinión.

Before his departure from New York for Argentina, Mr. Timerman said he intended to recover his Argentine citizenship.

He first generated attention beyond Argentina's borders in the 1950s when he founded South America's first modern weekly newspaper, Primera Plana. He later founded other similar periodicals.

Critics have branded him an opportunist, an allegation that was repeated about his politics when he alternately supported and then opposed various Argentine governments, both military and civilian.

Although Mr. Timerman and La

Opinión had supported the coup d'état in March 1976 that brought the military to power, he soon turned against the regime, accusing the armed forces of violations of human rights.

He was arrested in April 1977 and was first imprisoned and then put under house arrest. While he was in prison, he says he was constantly tortured and that he was treated with extra harshness because he is Jewish.

Although Mr. Timerman spent 30 months in prison and under house arrest, no formal charges were brought against him. After strong international pressure, especially from the United States, he was stripped of his citizenship, freed from house arrest and put on flight to Israel.

Mr. Timerman became a citizen of Israel and wrote his book while living there.

Government sources expect that he will have no problem regaining his Argentine nationality, but the issue of La Opinión is more difficult.

The assets of the newspaper were purchased from the government in 1982 by a new daily newspaper, El Tiempo, whose owner says he acted legally and has no intention of giving up the property or paying Mr. Timerman for it.

Government sources say that the question of the liability of the new government is murky and that Mr. Timerman's only recourse may be to sue the former military rulers for compensation.

Salvadoran Rebels Free
162 Captured Soldiers

By Stephen Kinzer

TEJUTLA, El Salvador — Guerrillas who overran an army base last week have released 162 of the soldiers they captured, according to religious workers and other residents of this village north of the installation.

Less than a dozen soldiers, most of them middle-ranking officers, were said to be still in guerrilla hands. A priest here said that he expected them to be released soon.

The base, in the northern province of Chalatenango, was held by the rebels for 12 hours before they withdrew Friday. It was the first of two major military defeats for the Salvadoran military last week. On Jan. 1, rebels destroyed the heavily fortified Cuscatlan bridge that linked four eastern provinces with the rest of the country, routing troops assigned to guard it.

The release of the soldiers from the army base may contribute to a new problem for the government, military analysts here say. As morale in the Salvadoran Army has deteriorated, the analysts say they have grown increasingly concerned about the effect that soldiers freed from guerrilla custody are having on the morale of government troops.

Captured soldiers who have been treated well and then released are regarded as less likely to put up an effective fight once they return to duty, the analysts said.

In addition, the soldiers relate their experiences as prisoners to their friends. A military analyst said that he planned to recommend that the Salvadoran High Command reassign former prisoners to regions of the country where they are less likely to come under fire.

Meanwhile, a force of several hundred soldiers on Friday was moving into the region where the army base fell. But a large number of rebels that residents said had been seen in this town and several others nearby appeared to have disappeared into the surrounding hills.

The base, at El Paraiso, 10 miles (16 kilometers) west of the provincial capital, was closed to visitors Friday. Relatives of soldiers, assigned there said they had received no notice of whether their husbands and sons were dead or alive.

More than 100 bodies were buried in a common grave inside the base without being identified, according to relatives and soldiers. Several slain guerrillas were believed to have been buried together with soldiers.

On Friday, a car swerved to the side of the road outside the base as the driver recognized his cousin, a

recent army recruit, standing by the road eating a piece of fruit.

"It's wonderful to see you," exclaimed the driver. "We had assumed you were dead."

A senior military official in San Salvador described the seizure of the El Paraiso army base and the destruction of the Cuscatlan bridge as "two bad shots" for the Salvadoran Army. But he said they did not represent decisive defeats.

"There is no need to change strategy or tactics in this war," the official said. "There is a need for better execution."

One of the official's senior colleagues said the assaults, launched within hours of each other, were "not catastrophic, nor are they irreversible."

Reagan Launches
Plan to Improve
School Discipline

New York Times Service

WASHINGTON — President Ronald Reagan has opened a new administration campaign against "unruly behavior" in schools, announcing that the Justice Department would file court briefs to help expand the rights of teachers and administrators to enforce school discipline.

In his weekly radio address Saturday, Mr. Reagan also said that the Department of Education would study methods to prevent school violence and help local school districts use their resources to prevent school crime. White House officials said that Mr. Reagan would receive a report Monday from an administration working group on school violence and discipline, which Reagan advisers said they hoped would be a key issue in the election campaign.

In his speech Saturday, Mr. Reagan said that "we can't get learning back into our schools until we get the crime and violence out." He said the issue was "not a question of anyone asking for a police state" and then quoted with approval a comment by Albert Shanker, president of the American Federation of Teachers, on the need to solve discipline problems and "take out of our schools those students who prevent teachers from teaching."

In the Democratic response to the address, Representative Robert T. Matsui of California said that Mr. Reagan "doesn't seem to understand that the lack of discipline is only a symptom of the deteriorating state of this country's educational system," and he criticized the administration's cuts in education programs.

42 Democrats Issue 1984 Campaign 'Blueprint'

By Margaret Shapiro

WASHINGTON — A group of leading Democrats Sunday released what they called a "blueprint for the future," a 90-page alternative for the 1984 election year that they would reduce the federal budget deficit, hold down military spending, revamp the tax structure and curtail the arms race.

The "blueprint," drafted over two years by 42 Democrats in the House of Representatives with help from 80 other party leaders, calls for the restoration of many Reagan administration social cuts.

But it cautions that the Democrats should not return to the "big-spending" programs of the past that provided political fodder for the Republicans in 1980.

It identified three long-term threats to the future — large deficits, the nuclear arms race and faltering U.S. competitiveness in overseas and domestic markets.

It also makes these recommendations:

- Replace the current tax system, which it said is excessively complicated and fosters cheating, with a simplified "fair tax" with fewer deductions but lower rates.
- Revamp the health care system to control medical costs by making health care delivery more efficient, limiting doctor and hospital reimbursements and encouraging the use of less expensive health maintenance organizations.

The blueprint shied away from suggesting reductions in Medicare benefits, despite the projected future bankruptcy in that program. "We're not interested in reducing benefits, especially in an election year," said Representative Thomas J. Downey of New York.

- Review national security and military needs and hold the annual increase in military spending to a real 3 to 5 percent, in contrast to reported proposals as high as 17 percent for the Reagan administration's fiscal year 1985 budget. The report accused the administration of buying arms without planning, "spending without a sense of our long-range military mission and needs."

- Reduce the federal deficit \$150 billion to \$200 billion by 1988.

The Democrats reserved their harshest language for what they called "Reagan deficits," using what has

traditionally been a Republican issue to attack the administration.

The Democrats said that their proposals for holding down costs in health care, military and benefit programs, coupled with a revamping of the tax code, would bring the deficits to a more acceptable level. If not, they suggested they would be willing to raise revenue by other means, such as taxes.

- Negotiate a mutual, verifiable freeze on nuclear testing, production and development and put into effect the second strategic arms limitation agreement that was not ratified by the Senate.

Jackson Drive Is Focusing on Peace

By David S. Broder

PORTSMOUTH, New Hampshire — The Rev. Jesse L. Jackson has presented himself to New Hampshire voters as the latest "peace candidate" among Democrats seeking the party's presidential nomination.

In a speech Saturday at the high school of Lieutenant Robert O. Goodman Jr., the navy aviator released Thursday by Syria, Mr. Jackson said his "peace mission" might be the key to "bringing our boys home from Lebanon."

Mr. Goodman was freed after Mr. Jackson issued an appeal in person to the Syrian president, Hafez al-Assad.

Mr. Goodman did not attend the event Saturday, although it had been billed as a homecoming. He was apparently bowing to navy wishes that he avoid being drawn into Mr. Jackson's campaign for the Feb. 28 primary.

Mr. Jackson declared that "by the grace of God, Bob Goodman was given a second chance. He has given us a second chance. We must give peace a chance, and study war no more."

Despite the navy and air force installations in this area, that message was greeted with cheers from a crowd of about 500, as it was Friday night at a conference in Bedford, New Hampshire.

Will Brown, a New Hampshire member of the Democratic National Committee, said he thought that

• Increase spending for education, particularly for science, math and computer training. In other education matters, the Democrats proposed tightening achievement standards for students, using teacher competency evaluations and increasing teacher salaries.

- Create an Economic Cooperation Council of government, private industry, labor and the academic community to develop new strategies for economic growth.
- Conduct an "unstraining effort" to bring about congressional passage of the Equal Rights Amendment.

Many of the proposals, such as the call for a new industrial policy, have been made before by the Democrats.

But this time, they said, the recommendations are part of a comprehensive program to "demonstrate to the American people in 1984 that we are not asking for a return to the policies they rejected in 1980," said Representative Gillis W. Long, of Louisiana, the House Democratic Caucus chairman, in his introduction to the report. "We must set the terms of the debate as the Republicans did in 1980."

Mr. Jackson might get "a significant vote" in New Hampshire, even though the electorate is more than 99 percent white.

Mr. Brown speculated that Mr. Jackson's gains in New Hampshire could come at the expense of other Democratic candidates who have stressed efforts to reduce world tension.

These include Senator Alan Cranston of California, Senator Gary Hart of Colorado, former Vice President Walter F. Mondale

and George S. McGovern, a former senator from South Dakota who was the Democratic nominee in 1972.

Ken Bailey, a Manchester sales executive, said at Jackson headquarters in Manchester that he was switching his support from Mr. McGovern to Mr. Jackson.

Mr. Bailey said Mr. Jackson was "as much of a peace candidate" as Mr. McGovern and could score a "breakthrough for Afro-Americans in the national political arena."

Judge Who Posed as Dishonest Jurist
Resigns in Illinois Over the Publicity

The Associated Press

MARION, Illinois — A judge who posed as a dishonest jurist in an investigation of court corruption around Chicago has announced his resignation because, he says, publicity about the inquiry has made it increasingly difficult for him to do his job.

Judge Brocton Lockwood, 39, submitted his resignation from the Williamson County Circuit Court bench in a letter released Friday by the chief judge, William Lewis.

Judge Lockwood did not attend the news conference in this southern Illinois town, but said in an interview later that "all this attention makes it a little more difficult to do this job." His resignation takes effect on March 31.

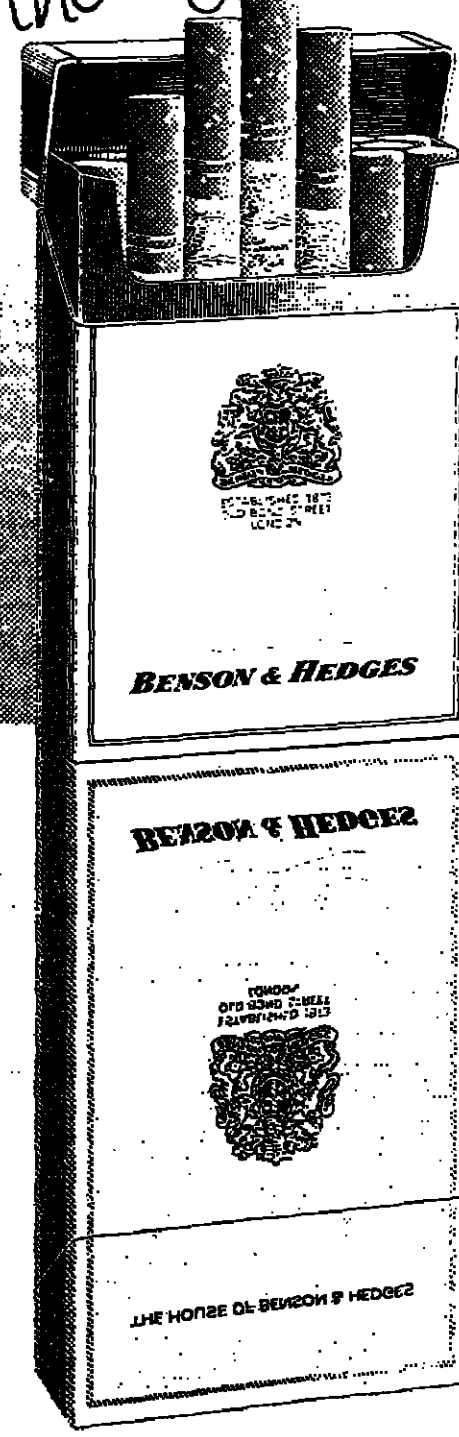
While serving as a visiting judge in Cook County, which includes

Chicago, Judge Lockwood wore a tape recorder in his boots and a microphone under his robes to help gather evidence against court officials suspected of corruption.

Last month, 10 persons, including judges, lawyers and court personnel, were indicted because of the investigation. The charges included mail fraud, racketeering, extortion and conspiracy. Officials say more indictments are possible.

Judge Lockwood said during the interview Friday that he was also resigning partly because he would be "uncomfortable" about presiding in Cook County again. In his letter, Judge Lockwood said he also hopes his resignation will help "normalize" relations between judges in his southern district and in the rest of the state. He declined to elaborate in the interview.

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Share Values

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Coalition Plan

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On?

China Courts Emigrants For Funds, Know-How

Beijing Looks to Chinese Who Left To Assist Modernization Campaign

By Christopher S. Wren
New York Times Service

XIAMEN, China — A bronze statue of Chen Jiageng, with his Panama hat and cane, was unveiled in great ceremony some months ago in this southeastern port city. Mr. Chen started no revolution, led no armies, wrote no masterpieces. He is revered because he left China and made a lot of money.

Mr. Chen, known overseas as Tan Kah-kee, emigrated from Xiamen, which at the time was called Amoy, in 1900 and made a fortune as a rubber magnate in Singapore. Before his death in 1961, he had sent home enough money to endow a university and scores of secondary and primary schools. He was, in short, the kind of model emigrant that China is looking for today.

Twenty million ethnic Chinese, by Beijing's estimate, live overseas. A map in Xiamen's Overseas Chinese Museum pinpoints their whereabouts — 4.5 million in Thailand, 4.2 million in Malaysia, a million in the United States, down to 10 in Paraguay and 10 in Iraq.

Such emigrants, though they left China generations ago, are considered a potential source of capital and technological talent that the Chinese leadership hopes to tap for its modernization drive. The result is a campaign to court the affections of the *huagiao*, a term for overseas Chinese that means "bridges to China."

Chen Fuxian, a senior official of the Communist Party Secretariat, recently told the Zhongguo Dang, or Public Interest Party, an organization of returned overseas Chinese, that the unity of the *huagiao* with relatives at home contributed to

China's modernization and reunification. Mr. Chen thanked the organization for helping attract \$56 million worth of projects by overseas Chinese.

Xiamen says it is the roots for 200,000 overseas Chinese, who live mostly in Southeast Asia. Wang Chunlin, director of Xiamen's Office of Overseas Chinese Affairs, said one out of six in Xiamen's population of 960,000 had overseas relatives who sometimes sent back cash or luxury goods.

With China's opening to the West and two overnight ferries a week now operating from Hong Kong, more overseas Chinese have come back to visit Xiamen. Mr. Wang said such tourists had increased from 20,000 in 1980 to 50,000 this year.

"The *huagiao* are Chinese, so their hope for the motherland's prosperity is strong," Mr. Wang said. "It's understandable for them to return to see what is happening in their homeland."

For such returning sons and daughters, China has a scale of hospitality. At the lowest level are 270,000 Indochinese refugees, who have been recruited mostly as laborers on state farms with little prospect of returning former lives as traders or shopkeepers.

Higher on the scale are "compatriots" from Hong Kong, Macao or Taiwan, who are not considered real *huagiao* because they live in territories that China intends to recover. The warmest greetings are reserved for the most successful emigrants, such as American scientists and wealthy Hong Kong businessmen.

The irony of the red-carpet treatment for some of those who fled the

Communist takeover in 1949 has not been lost on Chinese who remained.

"These people ran away on the eve of liberation and come back as honored guests," a Beijing intellectual said. "They ride in a Red Flag limousine and are greeted by Deng Xiaoping himself at the Great Hall of the People. They are even invited to give lectures."

The return was tougher for emi-

grants who moved back after 1949 to help build a new China, only to be abused and persecuted as spies and traitors during the Cultural Revolution.

Mr. Wang, who lived for 15 years in the Philippines before coming home in 1953, said he, too, had suffered xenophobia.

"When I was struggled against, I felt that I was framed and that it was unfair," he said. "But I also felt

that sooner or later, this problem would be solved."

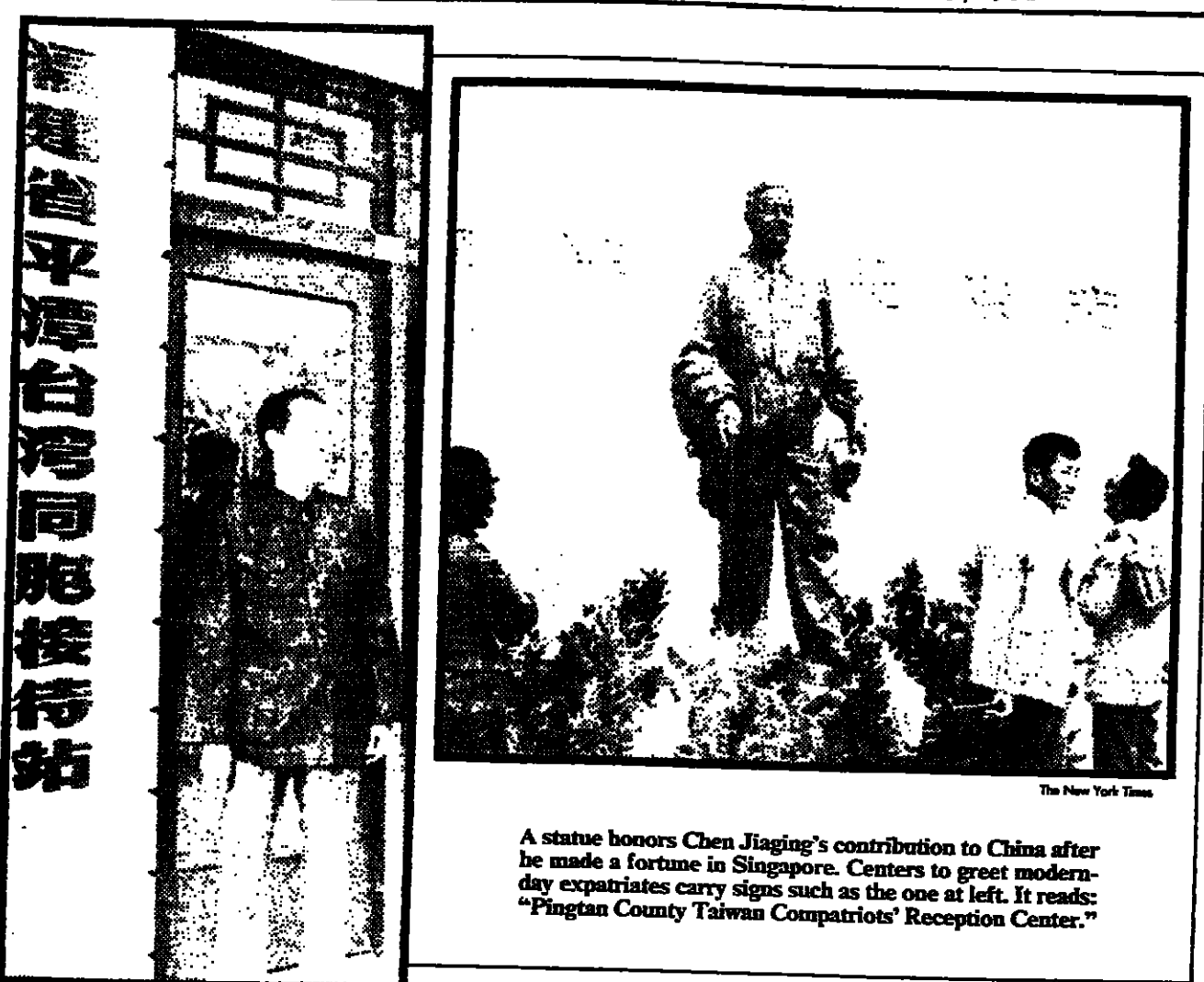
The Chinese government has tried to remedy the abuses. Article 50 of the new constitution "protects the legitimate rights and interests" of overseas Chinese. The government last April ordered preferential treatment for returned *huagiao* in employment, education and housing, where discrimination persists.

The Chinese government has

said that a million have come back to live since 1949.

By wooing overseas Chinese, China insists it is not trying to subvert their loyalty.

"We encourage them to make a contribution to their new country but also keep up ties with relatives in the motherland," Mr. Wang said. "We also want them to promote contacts between China and the foreign countries where they live."



A statue honors Chen Jiageng's contribution to China after he made a fortune in Singapore. Centers to greet modern-day expatriates carry signs such as the one at left. It reads: "Pingtan County Taiwan Compatriots' Reception Center."

Egyptian Political Party Resurfaces After Court Rejects Official Ban

By Judith Miller
New York Times Service

CAIRO — After more than 30 years of single-party dominance, official opposition is beginning to emerge. Two developments last week altered Egypt's political landscape and could pose a challenge to President Hosni Mubarak and his National Democratic Party, Western and Egyptian analysts say.

A high-level Egyptian court last Monday rejected government efforts to block the reformation of the New Wafd Party, once the most popular and powerful political group in Egypt.

Two days later, the leftist National Progressive Unionist Party defeated the ruling party in a runoff election for parliament in a district of Alexandria.

The closeness of the contest and official announcement of an extremely low voter turnout, about 10 percent, led analysts to conclude that President Mubarak may intend to honor a pledge for impartial parliamentary elections scheduled for May.

Prospects for the New Wafd and four other opposition parties would be enhanced by free and honest elections, which are rare in Egypt.

Analysts said honest elections would particularly benefit the New Wafd, whose rebirth was widely regarded as among the most significant developments in some time.

The right-of-center Wafd has traditionally opposed socialism, favored free enterprise and attracted a nationwide following, from intellectuals to small landowners and peasants.

The Wafd has yet to articulate many domestic or foreign policy goals. But analysts said it could have broad-based political appeal. Some predicted it could even pose a popular alternative to Mr. Mubarak's National Democratic Party.

Formed in 1918, the Wafd, which means "delegation," spearheaded Egypt's movement for independence from Britain. After 1923 treaty that made Egypt virtually independent, the party was elected to power on several occasions, most recently in 1950.

President Gamal Abdel Nasser banned the Wafd and other political parties in January 1953, a year after he and other officers overthrew King Farouk.

When President Anwar Sadat opened the way for a new multiparty system in 1976, he stressed that no old parties could be revived. So the Wafd filed for legal recognition as the New Wafd.

In fact, the party was led by many of the same people, including Fuad Serageldin, 75, the party's current leader, who served as interior minister before the monarchy was overthrown.

But Sadat became angered by the New Wafd's harsh criticism of his policies, including the Camp David peace accords with Israel.

In 1978, Sadat banned political activity by people alleged to have "corrupted" political life before the 1952 revolution. The law would have purged at least three top party officials, including Mr. Serageldin. Rather than submit to the restrictions, the Wafd dissolved itself.

When the party tried to reconsi-

rate itself last fall, the government protested, saying it had to register again as a new political entity, a lengthy process that would have precluded participation in the parliamentary elections next spring.

A lower court ruled in favor of the Wafd, but the government appealed. The higher court's ruling removes the last legal obstacle to the Wafd's participation in the elections.

Nevertheless, it and other opposition parties face an uphill battle because of a law enacted last summer at Mr. Mubarak's behest. It requires parties to gain 8 percent of the vote nationwide to secure representation in the People's Assembly. Analysts predict that the law is likely to deny seats to at least two opposition parties.

Mr. Mubarak's party controls 302 of the 392 seats in the People's Assembly.

Serious opposition parties are rare in the Arab world. Mr. Mubarak has often said he supports "responsible" opposition and free elections.

But critics say his 8-percent rule, the court challenge to the Wafd and his extension of emergency laws giving the government broad authority to limit political activity raise questions about the depth of his commitment to democracy.

Cambodia Marks Its 5th Year of Pro-Hanoi Rule

Reuters

PHNOM PENH — Seven thousand Cambodians, monks and civilians marched through central Phnom Penh to mark the fifth anniversary of President Heng Samrin's pro-Vietnamese government.

Mr. Heng Samrin, whose government replaced the Khmer Rouge in 1979 with Vietnamese military assistance, said during a rally Saturday that the situation in Cambodia was irreversible.

But he acknowledged at the rally, attended by officials from Vietnam, Laos and the Soviet Union, that guerrilla activities of the anti-Vietnamese rebel coalition still hampered his administration's reconstruction efforts.

That coalition comprises forces loyal to the former head of state, Prince Norodom Sihanouk, to his former prime minister, Son Sant, and to the Khmer Rouge. The forces operate mainly from bases along the Thai-Cambodian border.

Mr. Heng Samrin said that "complication" was all but inevitable in "the struggle by our people against the enemy's war of systematic destruction, and our national reconstruction." But he said that his government would prevail.

United Press International

ISLAMABAD, Pakistan — Police seeking to prevent a breakout from a jail in Sukkur, 600 miles (970 kilometers) south of Islamabad, fired on rioting inmates, killing one and wounding five on Friday, officials said Saturday.

U.S. Would Give Hospitals More Say On Care of Babies With Birth Defects

By Gerald M. Boyd
New York Times Service

WASHINGTON — The Reagan administration will announce new regulations Monday for the treatment of newborn infants with severe birth defects who are in hospitals that receive federal funds, administration officials say.

The regulations would soften the administration's previous position

that, despite what parents might want, food and medical care should be given to severely handicapped infants.

The government has gone to court seeking the medical records of a baby born recently with multiple birth defects, saying that it wanted the records to determine whether the baby's civil rights as a handicapped person have been violated. The parents of the infant, known as "Baby Jane Doe," have refused to approve life-extending surgery for their daughter, who would remain severely retarded despite medical intervention.

Although it is unclear whether the White House has approved the compromise regulations, the changes were reviewed by the Office of Management and Budget, which said that it did not find major problems with them.

The most far-reaching concession by the administration would be to have infant review committees established voluntarily in hospitals that do not have them and to have these committees assess serious cases.

The administration would end its requirement that hospitals with such review committees, post in public view, a toll-free number for staff members to call in cases in which food or treatment were denied patients, the sides said.

Dr. Harry Jenson, executive director of the American Academy of Pediatrics, said he expected the administration to adopt his group's recommendations that such committees be made up of such non-medical representatives as lawyers, community representatives and clergymen.

The previous study, published in the New England Journal of Medicine in 1979, was conducted by Joseph L. Lyon, an epidemiologist at the University of Utah. He testified for the plaintiffs in the case.

Dr. Lyon contended in his study that childhood leukemia deaths jumped sharply in southern Utah from 1951 to 1958, when nuclear weapons were tested above ground in neighboring Nevada.

The new study concludes that the leukemia death rates in southern Utah during and after the testing were actually normal and that it was an abnormally low leukemia death rate in the 1940s that made the rates of the testing period appear high.

From 1944 to 1949, there were only three childhood leukemia deaths recorded in all 17 counties of southern Utah. The statisticians speculate that the rural southern area was then so short of doctors that many leukemia deaths were misdiagnosed and attributed to other causes.

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Alfred Kastler

Alfred Kastler Dies; Won Nobel For Laser Studies

Compiled by Our Staff From Dispatches

PARIS — Alfred Kastler, 81, the French physicist whose Nobel prize-winning research helped set the stage for invention of the laser, died Saturday at Bandol, on the French Riviera, according to an announcement by his family. The cause of death was not specified.

Mr. Kastler's contribution that bore directly on subsequent development of the laser was the discovery of the use of light waves to elevate the energy levels of atoms to specific, unstable states. When stimulated by light at a proper wavelength, they cascade down to a lower state, emitting light waves of a uniform wavelength.

This optical "pumping" effect was exploited by Dr. Charles H. Townes of the University of California at Berkeley and others to produce the intense, narrow beams of uniform wavelength characteristic of lasers.

Mr. Kastler's Nobel Prize, in 1966, was awarded for "the discovery and development of optical methods for studying Hertzian resonances in atoms."

Other deaths: 87, the West German opera director who staged the world premiere of Wagner's *Die Meistersinger*, died Thursday in a home for the aged near Hamburg.

Sunil Singh, 33, the field hockey player who represented India 13 times at international events that included the Olympics, Asian Games and World Cup, Saturday in a car accident in the state of Punjab, in India.

Pre-Election Polls Boost Danish Conservatives

The Associated Press

COPENHAGEN — Denmark's 3.8 million voters will elect a new parliament Tuesday in what many observers believe will be an ideological showdown between the country's long-established socialism and its new conservatism.

Voter opinion polls indicate a landslide for Prime Minister Poul Schluter, 54, a Conservative, and his 16-month-old coalition over the opposition Social Democrats, the country's biggest party.

After a year of national economic improvements, the voter surveys indicate that the Conservatives may double their current 26 seats in the 179-seat Folketing, or parliament.

They also indicate, however, that some of the Conservative gains could be at the expense of the party's Liberal, Center-Democrat and Christian coalition partners.

A poll by the Observa Institute published last week in the conservative newspaper *Jyllands-Posten* said 49 percent of the voters want Mr. Schluter to continue as government leader. Mr. Jorgensen was the choice of 31 percent.

If the voting bears out the polls, it would mean a Conservative majority in the nine-party legislature with the help of just one support party.

That could end a series of foreign policy defeats for the government, mainly caused by the Socialists, its partners in the North Atlantic Treaty Organization and oppose the immediate siting of new U.S. Pershing-2 and cruise missiles in Western Europe.

Although military matters are hotly debated in Denmark, the election campaign has centered on economics. Mr. Schluter called the election Dec. 15, before his four-year term was up, when his 1984 finance bill became the first budget in 54 years to be rejected by the Folketing.

The budget bill was aimed at reducing Denmark's substantial deficit by cutting public spending. The Social Democrats, led by former Prime Minister Anker Jorgensen, 61, have focused their campaign on the country's jobless rate of about 10.5 percent.

The coalition parties have emphasized improvements in most other economic indicators and promised a leveling-off, then a reduction, of the unemployment rate in 1984.

Mr. Schluter took office in September 1982 after seven years of Social Democratic government. Helped by foreign economic factors, his record at the end of 1983 looked like this:

- A suspension of wage indexation, holding annual wage increases to around 5 percent.
- A drop in the inflation rate to 5 to 6 percent from 11 percent.
- A reduction in Denmark's year-end balance-of-payments deficit to about \$1 billion in 1983 from \$2 billion in 1982.
- A reawakening of the stock market after a decade of relative inactivity.

Just as significant, according to political observers and opinion polls, is that Mr. Schluter's government seems to have reversed an era of pessimism that has pervaded the country of 5.1 million inhabitants since the oil crisis of 1973-74.

Olle Born, a political sociologist who studies voting patterns at Denmark's Institute for State Studies, said he believes the election will be decided on ideologies, rather than on individual issues.

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rate itself last fall, the government protested, saying it had to register again as a new political entity, a lengthy process that would have precluded participation in the parliamentary elections next spring.

A lower court ruled in favor of the Wafd, but the government appealed. The higher court's ruling removes the last legal obstacle to the Wafd's participation in the elections.

Nevertheless, it and other opposition parties face an uphill battle because of a law enacted last summer at Mr. Mubarak's behest. It requires parties to gain 8 percent of the vote nationwide to secure representation in the People's Assembly. Analysts predict that the law is likely to deny seats to at least two opposition parties.

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Link Between Leukemia, Nevada A-Tests Disputed

By Philip M. Boffey
New York Times Service

WASHINGTON — Three experts at the National Cancer Institute say that evidence to link childhood leukemia deaths in southern Utah with fallout from atomic bomb tests in Nevada is "slight or nonexistent."

Despite a previous study suggesting the contrary, the experts said, the leukemia mortality rate among the children was essentially normal both at the time and after the tests were held in the 1950s.

The new report, which appears

in the current issue of the journal *Science*, reiterates data presented by the federal government in a lawsuit in which 1,200 area residents are seeking compensation for damages allegedly caused by fallout from the tests. A decision has not been reached.

The article was written by Charles E. Land, Frank W. McKay and Stella G. Machado, government statisticians working on cancer epidemiology, the science of analyzing cancer rates and inferring probable causes from them.

In an analysis of national cancer statistics, the experts reached conclusions opposite from those of a study heavily cited by those suing the government.

The previous study, published in the *New England Journal of Medicine* in 1979, was conducted by Joseph L. Lyon, an epidemiologist at the University of Utah. He testified for the plaintiffs in the case.

Dr. Lyon contended in his study that childhood leukemia deaths jumped sharply in southern Utah from 1951 to 1958, when nuclear weapons were tested above ground in neighboring Nevada.

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Herald Tribune

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EUROBONDS

By CARL GEWIRTZ

U.S. Corporate Paper and Issues With Short Maturities Gain Favor

PARIS — The market for fixed-rate dollar Eurobonds reopened briefly last week after a month-long hiatus and shut with a thud as seven issuers rushed to offer \$800 million of paper.

Only four of them found acceptance. Two were for units of double-A-rated U.S. retailers, R.H. Macy and Sears Roebuck & Co., and two were bank issues.

Analysts conclude that there is demand for U.S. corporate paper and issues with relatively short maturities. But long-dated government or government-agency paper is out of favor.

"There's a lot of interest in paper with five-year maturities or issued by U.S. companies," one banker said.

"But no one wants 10-year government paper. It's not even a question of coupon level, they're just wrong deals for this market."

He was referring to two issues launched Friday—\$150 million of 10-year bonds for Quebec, offered at par bearing a coupon of 12 1/2 percent, and \$100 million of seven-year notes by Nova Scotia offered at par bearing a coupon of 11 1/2 percent.

A rumored offering by Ontario Hydro never took place.

The Quebec paper was trading at a discount of 2 points to yield 12.61 percent. Nova Scotia was being quoted at a discount of 2 1/2 points to yield 12.27 percent, despite an announcement by lead manager Union Bank of Switzerland to co-managers not to "directly or indirectly offer or sell debentures at below the issue price less the selling concession" of 1 1/4 points before the Jan. 12 signing date.

A third Canadian offering, \$100 million for the Royal Bank of Canada, got a better reception. Thanks to its short maturity of five years, the notes, offered at par with a coupon of 11 1/2 percent, were being sought at a discount of 1 1/4 points.

Tokai Bank's \$100 million of seven-year notes, offered at par with a coupon of 12 1/4 percent, were also quoted at a discount of 1 1/4 points.

Australians Fare Less Well

But Rural & Industries Bank, despite the state of Western Australia's guarantee, fared less well. Its \$50 million of seven-year notes, offered at par bearing a coupon of 12 percent, were quoted at a 2-point discount.

The best received issues of the week were Macy's \$100 million of 11 1/2-percent bonds and Sears' \$150 million of 11 1/2-percent paper. Sears also sold \$50 million of 11 1/4-percent bonds in Asia at a discount of 99 1/4 to yield 11.36 percent. These all had seven-year maturities. The Macy paper ended the week at 99. Sears was quoted at 98 1/4.

The notable aspect of these issues is that they were priced at less than comparable U.S. Treasury paper. Macy's terms were about 30 basis points lower than Treasury paper and Sears' were close to 50 basis points below. One hundred basis points equal one percentage point. As both companies would have to pay more than the Treasury to raise funds in New York, the savings to them were considerable.

Analysts found this situation confusing. International investors should

(Continued on Page 9, Col. 5)

U.S. Banks Kept Out of Insurance

By Jerry Knight

Washington Post Service

WASHINGTON — The Federal Reserve Board has rejected efforts by three major U.S. banks to expand into the insurance business by taking advantage of a loophole in a state law.

Reinforcing the barriers between banks and other kinds of financial institutions, the board decided Friday not to permit federally chartered bank holding companies to buy or start banks in South Dakota — the only state giving banks free rein to enter the insurance field.

Citicorp of New York, BankAmerica Corp. of San Francisco and First Interstate Bancorp. of Los Angeles had all applied to the Fed for permission to establish South Dakota operations, which under state law would be free to sell insurance throughout the United States.

Congress is considering changing the law that keeps banks out of the insurance business, and the Fed said it will suspend action on the three banks' applications until the lawmakers act.

The insurance industry is vigorously fighting the banks' efforts to move into their business and four insurance trade associations filed objections to the South Dakota acquisitions.

The South Dakota state government has been encouraging out-of-state banks to set up operations there as a way of drawing well-

(Continued on Page 11, Col. 5)

Ranking the Mutual Funds by Performance

Mutual funds have been ranked by percentage gain in each period — assuming full reinvestment of dividends and capital gains.

ONE YEAR TO DEC. 1983

Oppenheimer Regency	58.1%
Jana Growth Fund	52.6%
Fidelity Select Technology	52.5%
Alliance Technology	47.6%
First Investors Discovery	47.4%
Strong Investment	45.2%
Underfund for Income	44.1%
Royce Value Fund	43.0%
Long Mason Value Trust	42.7%
Strong Total Return	41.2%
Dow Jones Industrials	26.1%
S&P 500	22.8%

FIVE YEARS TO DEC. 1983

United Services Gold	544.5%
Strategic Investments	518.3%
Fidelity Magellan Fund	515.9%
International Investors	507.1%
Franklin Gold Fund	481.6%
American Capital Pace	335.6%
Lehman Capital Fund	324.6%
Massachusetts Capital Dev.	320.6%
Quaker Associates	314.3%
Phoenix Stock	308.7%
Dow Jones Industrials	108.6%
S&P 500	122.6%

10 YEARS TO DEC. 1983

Fidelity Magellan Fund	1,124.7%
Underfund	1,038.4%
Oppenheimer Special	1,015.3%
Evergreen Fund	960.5%
Twentieth Century Growth	930.0%
American Capital Pace	913.4%
Twentieth Century Select	880.6%
Mutual Shares Corp.	753.3%
Sageport Fund	738.8%
American Capital Comstock	773.4%
Dow Jones Industrials	154.2%
S&P 500	176.4%

The New York Times

U.S. Mutual Funds Fell Short in '83 Of Performances of Recent Years

By David E. Sanger

New York Times Service

NEW YORK — Investors who loaded up on high-technology mutual funds when the U.S. stock market boom started 18 months ago made a killing in the first half of 1983. But those who failed to bail out by summer very likely suffered heavy losses that often wiped out their earlier gains.

The funds that did well in the last half of the year were heavy in international stocks or more traditional businesses like tobacco and insurance.

Those are the conclusions of the first full analysis of how mutual funds performed last year, released last week by Lipper Analytical Services. The numbers show that despite the overall strength of the market last year, most investors who profited in mutual funds did so by radically redirecting their portfolios by the beginning of the third quarter.

"There were two sharply different markets last year, and you had to move fast to catch them," said A. Michael Lipper, president of Lipper Analytical. So while some high-technology stocks still ranked among the best performers for the year, "all the money in the

second half was in the defensive players, the low-price-earning ratios and the out-of-favor companies," he said.

The biggest winner in 1983 was the Oppenheimer Regency Fund, a fairly small, diversified fund operated by Oppenheimer Asset Management Corp.

"I just did less wrong than everyone else," said George Boltes, the fund's manager. He said his \$32-million fund mixed high- and low-technology industries, specialty retailing companies and financial services, all in "rapidly growing areas."

He said his own portfolio included many of the stocks in the fund, as well as shares of the fund. "It makes me more careful," he added.

He and several other successful fund managers said that a key to success in the second half of the year was retaining flexibility. "With a big fund, you lose your chance to move very quickly," Mr. Boltes said. In October, for example, he dumped most of his riskier stocks, whose prices were excessively high when compared with the company's short-term earnings. These

(Continued on Page 9, Col. 1)

Getty, Texaco Plan to Merge

Family Truce Clears Way For \$9.9-Billion Takeover

By Mark Potts

Washington Post Service

WASHINGTON — A truce has been reached in the Getty family feud that had threatened to hold up Texaco Inc.'s \$9.9-billion takeover of Getty Oil Co.

But Pennzoil Corp., whose \$5.3-billion merger agreement with Getty was broken in favor of the Texaco-trace transaction, reiterated Saturday its threat to sue to block the merger on grounds of breach of contract and antitrust violations.

Pennzoil's chairman, J. Hugh Liedtke, said the proposed merger raised "a very serious question of national policy" by concentrating oil reserves.

An agreement worked out by factions of the Getty family in a Los Angeles court late Friday ended a request by Claire Eugenia Getty, a granddaughter of the company founder, J. Paul Getty, that any offer for the 40.2 percent of Getty stock held by the Sarah C. Getty Trust be delayed for a 20-day review. The trust is controlled by Gordon P. Getty, 49, the youngest son of the late billionaire, whose control of the family fortune has been disputed by some family members in recent months.

Under the settlement, Claire Getty's lawyers were to review the

offer over the weekend, and the family trust was to be allowed to sell its holdings to Texaco at no less than \$125 a share — about \$4 billion — Monday morning.

Details of Texaco's offer for Getty have not been made public, though the companies announced late Friday that they had agreed in principle to a merger. But the settlement appeared to confirm Wall Street speculation that Texaco would pay \$125 a share for Getty's 79.1 million shares. Texaco had agreed earlier Friday to pay that price for the 11.8-percent block of the stock owned by the J. Paul Getty Museum. The total price, \$9.9 billion, would make it the richest corporate takeover in history.

Meanwhile, Pennzoil continued to threaten the Texaco-Getty agreement. In a statement Saturday, Mr. Liedtke said that "suits will be instituted shortly to recover damages as the result of Getty Oil Co. action taken in connection with this matter."

Getty Oil and Pennzoil had agreed Tuesday on a transaction that would have given Gordon Getty and Pennzoil control of Getty Oil, but Getty switched its alliance to Texaco. The Pennzoil offer was valued at about \$112.50 a share or \$5.3 billion.

Pennzoil's statement Saturday said the company expected Getty to live up to a clause in the companies' agreement that would give eight million Getty shares to Pennzoil at \$110 a share. Pennzoil could then sell the shares to Texaco for \$125 each, for a \$120-million profit. That could raise the price Texaco would have to pay for Getty to \$10.9 billion.

Pennzoil's statement noted that Congress took steps in 1981 to block a merger of Mobil Corp. and Marathon Oil Co. that later fell through for other reasons. The statement suggested that the Texaco-Getty transaction could trigger similar action. "If no restraint upon such activities is forthcoming, small, medium and large-size oil companies will shortly be swallowed up by the giants of the industry," Pennzoil charged.

—analysts estimate Warner Amex lost \$65 million in 1983 and will lose \$80 million in 1984. "If Atari isn't dead, it's ill and it might be terminal," said Lee Igar, an analyst at Paine Webber. "The problems have continually been much, much worse than they thought they would be." Even if Warner wanted to sell Atari, it is uncertain whether anyone would be interested in buying a company with so many troubles, and at anything other than a distress price.

Warner Amex is also having problems. The joint venture with American Express bid aggressively for big-city cable television franchises and now finds itself saddled with wiring cost overruns and inadequate fees from monthly subscribers. The venture has drawn down most of its \$875-million credit line and may need to raise about \$365 million more.

Warner's other entertainment areas are holding their own, but they bring more glamour to Warner than profits. The record division reported higher-than-expected earnings due to several platinum albums, and a mediocre first half turned into a strong second half for the movie division.

Still, investors are attracted more by the glamour than the earnings of Warner Bros., one of the few remaining publicly held movie studios.

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U.S. Purchasing Agents Say Index Rose Sharply

By Phillip H. Wiggins

New York Times Service

NEW YORK — The U.S. economy expanded in December for the 12th consecutive month, corporate purchasing agents said Sunday, with the group's composite monthly index rising to its highest level in 10 years.

The index increased to 67.2 percent from 62.9 percent in November. Rises in employment, production and new orders contributed to the advance.

The report, by the National Association of Purchasing Management, also noted a slowing of deliveries from suppliers — a good sign, as it tends to mean suppliers have backlogs of orders — and a slight growth in inventories, which reacted to the rise in production. Prices increased moderately.

"It looks to me as though we are going to start the quarter off with a bang," said Edward Yardeni, chief economist at Prudential-Bache Securities. "The sharp increase in the purchasing managers' index, combined with the surge in consumer sentiment indices, suggests that everybody's happy."

The buying agents' index is based on responses from 250 managers who buy equipment and supplies for industrial companies. A reading below 50 percent indicates that the economy is declining, while a measurement above 50 percent shows it expanding.

Charles T. Haffey, who is in charge of compiling the responses, and is also vice president of the corporate purchasing division at Pfizer Inc., said employment had been rising since June. In December, 21 percent of the group's members reported higher employment while 9 percent reported less. In November, 26 percent said they had higher employment, while 13 percent had lower employment.

Production has been higher each month since the beginning of 1983.

But each time the 30-year bond yield touches the 12-percent level — as it did briefly in August and mid-December — there is enough buying by investors to raise bond prices and reduce bond yields. Last

last week, the bellwether 12-percent issue was offered at 101 8/32 to yield 11.84 percent.

Economic data to be released this week are expected to support those who expect the economy to prompt a more accommodative policy by the Fed, according to Mitchell J. Held, an economist at Smith Barney.

Irwin Kellner, chief economist at Manufacturers Hanover Trust Co., said in the latest issue of Financial Digest that "recent signs of a moderating pace of business activity" may be offset by strong growth in retail sales and production during December. But he concluded that the healthy economy portrayed by the new data is not enough to suggest much change in interest rates, or Federal Reserve monetary policy.

Interest rates might drop slightly if the economy slows, inflation remains low and money supply growth remains modest, but "prospects of either a significant rate drop or another upward spiral ap-

pear equally unfounded." For rates to come down sharply it would require a wealth of evidence that a recession is around the corner for an easing of Fed policy to avoid a recession.

Neither development is in sight, Mr. Kellner concluded. Nor is the central bank likely to push rates higher "at a time when the Fed finds its twin enemies of inflation and ill-behaved money supply numbers at least dormant, if not entirely vanquished."

Observers are beginning to bear out our view that the rate of economic growth should slow sharply during the first half of the year, enough to prompt a more accommodative policy by the Fed, according to Mitchell J. Held, an economist at Smith Barney.

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By Leslie Wayne

New York Times Service

NEW YORK — The saga of Warner Communications Inc. and its flamboyant chairman, Steven J. Ross, is the sort of real-life drama that might be portrayed in the films Warner spins out. A struggling boy from Brooklyn builds a \$4-billion conglomerate that includes one of the premier movie studios in the United States. He hobnobs with Frank Sinatra. He marries three beautiful women in succession. Then, one day, his empire is threatened.

The threat has come from outside Mr. Ross's entertainment conglomerate, and from within. Last week, the Australian media baron, Rupert Murdoch, said that he was seeking to buy as much as 49.9 percent of Warner and hinted at a proxy fight — an action that sent shares of a takeover through Warner's executive suite. To fend him off, Warner placed 25 percent of its shares in the friendly hands of Chris-Craft Industries Inc., whose ownership of television stations might cause regulatory problems for Mr. Murdoch.

These rapid-fire events sent Wall Street deal-makers shopping for a white knight company to buy Warner and protect Mr. Ross from his foes.

"Unless he can keep all these people at bay, it's difficult to see where Steve Ross will end up," said

Fred Ansel, an analyst with Dean Witter Reynolds. "Still, it is premature to write him off."

Mr. Ross's problems began long before Mr. Murdoch made his first move in early December by buying 6.7 percent of Warner's stock. The company had been ailing for more than a year, since the collapse of Warner's most dynamic business, Atari. The last year has seen Warner burdened with problems. Its stock, which soared to \$63 a share in 1982, recently traded as low as \$19 — making it a tempting morsel for anyone with the money and the inclination to take over its problems and potential.

Atari, which had been Mr. Ross's greatest triumph, is now the major cause of his problems. The video game and consumer electronics company helped lift Warner's sales from \$775 million in 1976 to nearly \$4 billion in just over five years. But last winter, miscalculations about the potential of video games left the company unprepared when the fad faded. After reporting 48 straight quarters of record profits, Warner is now in financial shambles. It lost \$424 million in the first three quarters of 1983 and may report even larger losses for the year. The Atari unit alone — which earned \$323 million in 1982 — lost \$536 million in the first three quarters of 1983.

Much of the blame for these problems has been placed squarely

on Mr. Ross, whose style of management — he gives his executives a high degree of autonomy — is said to have resulted in huge corporate overhead costs and an inattention to Warner's basic businesses.

Still, Mr. Ross is given much credit for transforming a funeral service, limousine and parking lot business inherited from his former father-in-law into a major entertainment conglomerate. His movie and television studio, Warner Bros., has set box office and profit records in 1983; its highly profitable record division features such hit-makers as Linda Ronstadt and Paul Simon; its book publishing division has benefited from such best-sellers as "Megatrends." The company also owns such diverse units as Mad Magazine, the Cosmo soccer team and the Franklin Mint, and holds half of Warner Amex Cable Communications.

But Mr. Ross, who declined to be interviewed, stumbled when he moved from the empire-building days of the 1970s into the 1980s, when the corporate task became one of managing many new and unfamiliar businesses, particularly Atari. Since its purchase in 1976 for \$28 million, Atari had grown to represent about half of Warner's sales and over 60 percent of its profits. And Atari is not the only troubled spot. Warner invested \$200 million in Warner Amex cable, but the venture remains unprofitable.

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Provided by White Weld Securities, London, Tel.: 623-1277; a Division of Financière Crédit Suisse-First Boston
Prices may vary according to market conditions and other factors.

...proved harder: but in the fourth quarters, the S&P index was strong in 1992, but fell off a bit when the market announced dividend cuts at the end of the year. Aftix was the only fund that proved strong in the second half.

...the performance of the mutual funds was disappointing compared with that of the S&P. For the first time in the history of mutual fund analysis, the top 10 equity funds for 1992 — 70 percent — was less than the Standard & Poor's 500 index and the Dow Jones Industrial Average, assuming a 1 percent dividend rate. The S&P index rose 10 percent, while the Dow Jones fell 1 percent.

NEW EUROBOND ISSUES

Issuer	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Switzerland	\$ 50	1992	10	100	—	Over 6-month Libor. Minimum coupon 5%.
United Kingdom	\$100	1992	10	100	—	Over 6-month Libor. Minimum coupon 5%.
City of Copenhagen	\$100	1992	10	100	—	Over 6-month Libor. Minimum coupon 5%.
City of Copenhagen	\$100	1992	10	100	—	Over 6-month Libor. Minimum coupon 5%.
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City of Copenhagen	\$100	1992	10	100	—	Over 6-month Libor. Minimum coupon 5%.

Government Eurobonds Have Fallen From Favor

(Continued from Page 7)

be willing to accept lower yields than available in New York if interest rates were expected to plunge or the dollar to soar. Anticipated gains on such moves would obliterate the basis points lost by not buying in New York. But neither of these conditions exist currently.

The dollar did climb to a new 10-year high on the foreign-exchange market last week, but its ability to sustain this rise is widely questioned. And interest rates, at best, are expected to remain stable.

Unable to explain why investors would buy bonds at such relatively unfavorable terms, analysts warn that Eurobond prices are poised to drop sharply in order to bring yields into better alignment with New York.

The most excitement that the bond market can look forward to now is the expected \$600 million of convertible issues that Japanese companies expect to launch during

the first quarter. The first of these should come to market this week — \$100 million for Murata Manufacturing, an electronics firm.

Equities are much in favor. And dollar bonds convertible into Japanese shares also offer investors a relatively painless way to speculate on a decline of the dollar because the bonds carry a fixed dollar-yen exchange rate.

Meanwhile, the dollar's rise against the Deutsche mark did nothing to help the market for DM Eurobonds. Foreign investors are not rushing to buy marks while the dollar is still rising and domestic investors are not rushing to buy Eurobonds as the yield advantage over domestic issues has narrowed very sharply.

Currently on offer is 100 million DM for Copenhagen. The 10-year bonds, priced at par, bear a coupon of 8 1/2 percent and were quoted at a discount of 1 1/2 points.

This week will see considerably more activity. The European Community is scheduled to launch a 200-million-DM issue, followed by Michelin for 100 million DM and Spain for 200 million DM. The Spanish issue is expected to bear a coupon of 9 percent.

With the withholding tax on domestic interest payments now up to 25 percent from the previous 20 percent, Belgian investors are expected to turn even more to the Eurobond market for new investments, bankers report.

As a result, they are predicting a 25-percent increase in the volume of bonds denominated in European currencies units. Credit National of France is currently offering 50 million ECU of seven-year notes bearing a coupon of 11 1/2 percent and priced at 100 1/2 to yield 11.21 percent. Despite the premium pricing, the bonds were quoted at 99 1/2.

The Paris Metro, formally known as the RATP, is scheduled to tap the market later this month, probably following a 50-million-ECU issue for the European investment bank.

In the sterling market, International Standard Electric, a unit of I.T.T., sold £50 million of five-year bonds bearing a coupon of 11 1/2 percent and offered at 99 1/2.

British Columbia Telephone increased to 70 million Canadian dollars from the 60 million announced initially its offering of 12 1/2 percent bonds. The bond has a final maturity of 15 years, but investors can request redemption after five and 10 years — making the issue, in effect, a five-year piece of paper.

International Herald Tribune

Floating-Rate Notes Are Overshadowing Syndicated Loans

By Carl Gewirtz

International Herald Tribune

PARIS — In sharp contrast to the international capital market, activity in syndicated bank loans got off to a slow start this year with only a few relatively modest deals on offer.

Most experts expect the Eurobond market to dominate the bank-loan market, with quality borrowers issuing floating-rate notes rather than trying to arrange loans. This is explained by the continuing attraction of floating-rate notes to investors who want to maximize their interest income while at the same time keeping their holdings as liquid as possible in case interest rates or the dollar's exchange rate declines.

At the same time, many banks that normally participate in the credit market appear to prefer to put their money into floating-rate securities because the marketability of these securities offers them considerably more flexibility for managing their holdings. In addition, banks are attracted by the profit potential.

In a period when many commercial banks are under pressure from their home authorities to increase profits, floaters have much appeal. Commissions can be booked immediately and the notes subsequently sold in the secondary market — resulting in no growth of the bank's balance sheet.

In contrast, commissions generated on syndicated loans are taken as income over the life of the loan, which is held to maturity and infuses the balance sheet.

As a result of the large demand for floaters, the terms borrowers can achieve are considerably more attractive than can be had in the credit market: maturities of as long as 10 years are significantly longer than the five-to-seven-year loans

available from banks and the interest cost of 25 to 50 basis points over the London interbank offered rate is considerably lower than what banks demand for loans. One hundred basis points equals one percentage point.

Many analysts insist that these terms are aberrant and that a

SYNDICATED LOANS

shakeout in the floating-rate-note market will result in more homogeneous terms with the bank credit market. But until that happens, floaters will continue to appeal to those quality borrowers who have access to it.

For example, Aerospatiale, the French state-owned aeronautical company, is discussing borrowing as much as \$200 million and is expected to raise most of it through a floating-rate note. If the amount is deemed too big for the public market to take, a smaller portion may be raised as a syndicated loan.

Denmark, which sold \$500 million of floating-rate notes last October, is expected to be back looking for money soon after this week's decision is out of the way, and bankers acknowledge that it could get better terms than a bank loan.

On the other hand, such regular borrowers as Denmark also have to keep an eye out to stay in favor with their traditional bankers. The floating-rate-note market may not always be available, so long-standing relationships with international banks are not lightly jettisoned.

These relationships are important for the largest commercial banks, resulting in lucrative business that might not otherwise come to them — managing some of a

country's foreign reserves, providing short-term trade finance or letters of credit and the like.

Thus, the biggest banks, which usually organize syndicated credits, will be urging borrowers to tap that market.

To attract the borrowers, commercial banks most likely will be forced to compromise: Terms on credits will be lower than they might otherwise have been but still remain higher than those of floating-rate notes. It remains to be seen how far banks will be willing to cut margins as the reluctance to increase assets should temper competition to attract new business.

In addition, as the business recovery progresses corporate loan demand should keep banks busy trying to satisfy their domestic clients.

Nevertheless, bankers report that Denmark could probably expect to be offered a margin starting at 1/4 of a point over Libor for a syndicated credit, compared with the split 1/4-1/4 percent it had been paying.

Portugal and Greece are also beginning to discuss their cash needs with bankers. If Indonesia can tap the floating-rate-note market, albeit not very successfully, Portugal and Greece also ought to be able to. Whether they do should be decided shortly.

The State Electricity Commission of Victoria is currently raising the U.S. dollar equivalent of 100

million Australian dollars in a Euro-note facility, an operation that combines aspects of a syndicated loan and a capital market transaction.

The arrangement resembles a syndicated credit insofar as a group of banks is being put together to take these 15-year notes. (A sinking fund reduces the average life of the notes to 12 1/2 years.) However, estimated in units of \$250,000, will be offered to a panel of banks invited to tender for them.

The tender panel will bid for the notes at a discount from face value. The yield derived from being repaid at par will be limited to a maximum equivalent of 1/4-point over Libor. The bidding banks can then sell the paper to private clients, at a lower discount, or hold them.

If bids are deemed unacceptable, the underwriters will take the paper. For this, they earn an annual fee of 15 basis points.

Assuming that the notes are sold at 1/4 point over Libor, the total cost to the borrower is estimated to total 28 basis points. If, as managers deem more likely, the notes are sold at the equivalent of Libor, the cost to the utility will total an even thinner 15 basis points over Libor.

In South Korea, Hankuk Glass Industry Co. is seeking \$36 million. Interest on the eight-year loan is set at 1 point over Libor for the first three years and 1 1/4 thereafter. Par-

ticipations taken on a tax-spared basis will earn 1/2 point over Libor.

Bankers say at least two other private-sector Korean borrowers will be tapping the market for larger amounts of \$100 million each.

In France, Banque Internationale Pour l'Afrique Occidentale, a consortium institution in which Banque Nationale de Paris holds the majority stake, is raising as much as \$30 million through the sale of five-year certificates of deposit.

Interest is set at 1/4 point below the three- or six-month Libor. But a drawing fee of 1/4 percent for six-month notes (3/16 percent for three-month paper), a commitment fee of 1/4 percent and a front-end fee of 1/4 percent mean that BIAO will be paying the equivalent of 1/4 point over Libor for its money.

SEAT, the Spanish auto maker, is raising 185 million Deutsche marks through the sale of six-month promissory notes over a period of seven years. The total cost to the borrower will total 1/4 point over Libor but managers will attempt to sell the notes at 1/4 point over Libor.

Interbanca, a unit of Italy's state-owned medium- and long-term credit bank, will be seeking \$15 million. Interest on this five-year paper will be set at 1/4 point over Libor. The borrower will pay an annual commitment fee of 1/4 percent and participation fees ranging up to 1/4 percent.

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(A company limited by shares incorporated in Bermuda under the Companies Act 1981)

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The Investment Advisers are Prudential Portfolio Managers Limited (a wholly owned subsidiary of Prudential Corporation plc). Another Prudential Group company, Holborn Fund Management (Guernsey) Limited, is the Manager.

The subscription lists for the Shares now being offered open on 9th January, 1984 and will close on 20th January, 1984.

Copies of the Prospectus (on the terms of which alone applications may be considered) and the Application Form may be obtained from: Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.

Rowe & Pitman, City Gate House, 39/45 Finsbury Square, London EC2

The Prospectus was advertised in full with an Application Form in the Financial Times and the Daily Telegraph on Saturday, 7th January, 1984.

Issued on behalf of the Fund by Prudential Portfolio Managers Limited, Licensed Dealer in Securities

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U.S. Mutual Funds Fell Short In '83 of Previous Showings

(Continued from Page 7)

stocks proved hardest hit in the third and fourth quarters. Utility funds were strong in the third quarter but fell off a bit when some utilities announced dividend cuts at the end of the year. Airlines and autos also proved strong plays in the second half.

On average, the performance of equity mutual funds was disappointing compared with that of past years. For the first time in the history of mutual fund analysis, the growth in equity funds for the year — 20.23 percent — was less than the growth in the Standard & Poor's 500 index and the Dow Jones industrial average, assuming full reinvestment of dividends and capital gains. The S&P index rose 22.59 percent, while the Dow was up 26.06 percent.

Despite the lackluster overall performance, 1983 proved to be a year of resurgence for the stock mutual funds, whose sales had languished for nearly a decade. Fund assets surged this year, to \$113.1 billion in November, up 51 percent from the previous year.

Examples of how badly the aggressive and riskier growth funds were hurt in the second half can be found throughout the 1983 rankings. The third-highest performer on the list was the Fidelity Select Technology Fund, which advanced 52.47 percent since the end of 1982.

While the increase is impressive, analysts noted that for the 12 months ended Sept. 30 the fund showed a return on investment of 133 percent. In the last two quarters, the fund actually lost significantly, performing well below the market averages.

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SPORTS

Redskins Gain Super Bowl
By Defeating 49ers, 24-21

WASHINGTON — Mark Moseley, who missed four earlier attempts, kicked a 25-yard field goal with 40 seconds left in the game to send the defending National Football League champion Washington Redskins into Super Bowl XVIII with a 24-21 victory here Sunday over San Francisco.

The 49ers staged a three-touchdown comeback in the final quarter, but it was not enough to keep Washington from advancing to meet the American

NFL PLAYOFFS

Conference champions, the Los Angeles Raiders and Seattle Seahawks, Jan. 22 at Tampa Stadium in Florida.

Workhorse John Riggins barreled into the end zone for two short-yardage touchdowns and wide receiver Charlie Brown burned the 49ers on a 70-yard TD pass from quarterback Joe Theismann, moving the Redskins into a 21-0 lead after three quarters of the National Conference title game. Riggins rushed for 123 yards and a record sixth straight playoff game of more than 100 yards.

But San Francisco would not quit. Quarterback Joe Montana threw three TD passes within a four-minute span of 7:52 to tie the score, 21-21.

Montana's comeback started on the first play of the final period, with a handoff to Wendell Tyler, who relayed the ball to Freddie Solomon on a flea-flicker play that Montana completed to Elson Rasmussen for 23 yards to the Washington 3-yard line. Three plays later Montana passed to Mike Wilson, filling in for the injured Dwight Clark, for a score.

After Moseley missed a 41-yard field goal attempt, Montana combined on a 76-yard touchdown pass to Solomon.

On the 49ers' next possession, Montana took them 53 yards in 4 plays, passing the last 12 to Wilson for the tying touchdown.

The Redskins then took over on their 14 with 6:52 to play. Riggins carried 17 yards, moving Washington to its 31-yard line. He produced three more first downs. Two of them came after interference penalties against the San Francisco secondary — the first a 27-

yarder against Eric Wright and the second against fellow cornerback Ronnie Lott, which gave Washington a first down on the San Francisco 8-yard line.

Riggins carried three straight times, positioning the ball for Moseley.

With 40 seconds to play the NFL's most valuable player last season — when he set a record with 23 consecutive field goals — made good.

Apart from his 41-yard miss, Moseley had earlier been either wide or short on attempts of 45, 34 and 38 yards. But this time he was within easy range and put the ball between the uprights as a capacity crowd of 55,363, silenced through much of the final 15 minutes, erupted.

Riggins carried the ball 36 times, tying the playoff record he set a year ago. Montana's 43 passing attempts (he completed 27 for 347 yards) set a championship-game mark. Theismann was 14-of-26 for 229 yards.

The 104-point favorite Redskins were only 7-0 leaders at halftime as the 49ers did an effective job of controlling Riggins. The half's only touchdown came on a short burst by the Washington fullback after Theismann's 46-yard completion to tight end Clint Didier.

That gave Washington a first down at the 49er 18, and after Riggins moved the ball to the 12, Theismann hit Joe Washington on a third-down play that put the ball at the 4. Riggins went in from there — the fifth straight playoff game in which he has scored a touchdown, tying an NFL record.

When Solomon fumbled a completed pass on the San Francisco 35 at 8:31 of the third quarter, Rich Milot recovered for the Redskins. Theismann then hit Art Monk for 13 yards and an interference call against Lott gave Washington a first down at the 6. Three plays later, Riggins was in the end zone again for a 14-0 lead.

San Francisco made no progress on its next possession and Washington took over on its 20. Riggins ran for 10 yards before Theismann launched a bomb to Brown, who split defenders Lott and Dwight Hicks at the San Francisco 46 and outstripped them to the end zone for the 70-yard TD that gave Washington its 21-0 lead.

Raiders Both Loose and Uneasy

By Paul Arner

Washington Post Service

LOS ANGELES — So what if the Los Angeles Raiders had 13 turnovers while losing twice to Seattle this season? Al Davis isn't worried.

"We don't get concerned about turnovers and stuff like that," said Davis, the Raiders' general manager.

"We let other people get hung up on that statistic. It's not important to us."

Maybe this time Davis should be concerned. In Sunday's game against the Seattle Seahawks, the American Football Conference championship was at stake.

"There aren't too many teams who have the talent to turn it over five or six times and still win," said Seattle coach Chuck Knox, who should know. He has built a winner by preaching error-free football, and his team has come so far despite ordinary statistics (19th offensively and 27th defensively in the National Football League).

The free-spined Raiders, pro football's most entertaining characters, spent the past week attributing those regular-season losses to the Seahawks to everything from a quiet crowd to bad horoscopes to lack of inspiration. They said they just couldn't take the longtime losers very seriously.

That may explain away the first meeting, when Seattle won, 38-36, despite just 2 net yards passing. The Raiders had eight turnovers and Los Angeles quarterback Jim Plunkett was sacked eight times, a performance that led to his replacement by Marc Wilson the next week against Dallas.

But the second loss can't be alibied away so easily. That game was in the Los Angeles Coliseum and the Raiders were prepared to put away Seattle quickly. But after taking a 7-0 lead, they were trampled by the Seahawks, who used a fumble return for a touchdown and marches of 65, 65 and 80 yards, ending in a fake field goal for a touchdown, to ease to a 34-21 victory.

"Let's face it," said Plunkett, who did not play in the second game, "they really handed it to us in the second game. It was not a fluke. It was 17-7 in the second

quarter and got worse from there."

So that leaves us with one team, the Raiders, with superior talent playing an opponent, the Seahawks, that has no reason to be

awakened either by the Los Angeles Oakland mystique or by its own first appearance in the title game.

And it leaves us a wonderful contrast in personalities and styles. The Raiders like to take chances and ignore common sense. The Seahawks follow the computer printout and consider patience their chief virtue.

Asked whether his team has fun, Knox replied: "Sure, we have our light moments. After wins, we have our hip-hip-hoorays in the locker room."

Asked whether it was difficult to coach a bunch of renegades, Raider Coach Tom Flores deadpanned: "Well, I open every team meeting by throwing some red meat inside and then closing the door. When the noise dies down and they are docile and doing, I go in."

"But I have a guy with a machine gun in back and a guy on the other side with a whip."

Said Howie Long, Raider defensive end: "I wouldn't want to try to beat us three times in a year. I just wouldn't want to face that task."

Seattle faced a similarly difficult task last week at Miami and came away with a 27-20 victory by forcing five turnovers. Miami had committed only 27 turnovers in 16 regular-season games.

The Seahawks have made just one major error in two playoff games, an interception by Dave Krieg.

Otherwise, they have been almost perfect. Curt Warner has gained 212 yards, Krieg has completed almost 66 percent of his passes for four touchdowns, the defense has caused eight errors, and the special teams, coached by Rusty Tillman, have been dominant as usual.

"We've shown that if you make the plays when you have a chance, then you can win these games," Knox said.

"It gets discouraging playing Seattle," said Plunkett, "because you are always starting on your 20 after kicks and they are starting at mid-field. Their special teams are something."

"The important thing for us is to

Slozil, Smid Win Doubles Title

United Press International

LONDON — Pavel Slozil and Tomas Smid of Czechoslovakia defeated Sweden's Heinz Simonsson and Anders Jarryd, 4-6, 6-3, 3-6, 6-4, here Sunday to win the

men's world doubles tennis championship.

The Czechs, seeded sixth, subdued the French Open champions and took the title in the first all-European final in the tournament's 12-year history. On Saturday they downed Americans Peter Fleming and Fritz Buehning, 6-7, 7-5, 6-3, while Jarryd and Simonsson defeated Australian Mark Edmondson and American Sherwood Stewart, 6-4, 7-6, 5-7, 7-6.

Titlists Slozil and Smid succeeded Balazs Taroczy of Hungary and Switzerland's Heinz Guenthardt, who won in 1982 and 1983 but did not survive the opening round-robin series this year.

It was the second major setback in two weeks for the third-seeded Czechs, who had lost a crucial doubles match in the Davis Cup final against Australia in Melbourne. Simonsson dropped his service once in the fourth, allowing the Czechs to come back to even terms after twice being a set down. But it was Jarryd, the only player who had managed to maintain a 100 percent service record, who cracked in the deciding fifth set when he was broken in the second game. The Swedes were never able to salvage the situation.

Canadian Women Win 2 Races

United Press International

PUY-SI-VINCENT, France —

Canadian women won two of three races at a two-event women's World Cup weekend here during the weekend, Graham winning Sunday's important slalom and Sorenson taking the downhill on Saturday.

Graham, whose only other cup victory in four years came in a downhill last spring at Mont Trem-

blant, Canada, came from starting position 21 to win the first women's slalom of the season.

A downhill specialist, Graham clocked a time of one minute, 15.73 seconds down a course of 1,900 meters (6,233 feet) with a drop of 470 meters through 37 gates.

Third, in 1:42.02, was Maria Walliser of Switzerland, winner of a downhill last month in Val d'Isere, France.

Walliser edged out Austrian Sylvia Eder (1:42.05).

"It felt pretty fast up there," said Sorenson moments after she flashed down the 2.8-kilometer (1.73-mile) Arlesienne course, which dropped 700 meters. "The coaches said I hit the bottom section pretty well."

"I made up at least two seconds near the end."

West German Marina Kiehl, 17, finished fifth in 1:42.21. Wenzel, winner of a downhill at Haus, Austria, four days before Christmas, placed sixth in 1:42.24, followed by Epple in 1:42.29.

Competitors were taken by surprise Saturday as they went through the course's 35 gates. Race officials had led the turns during the night in an effort to speed up

the course. "We had no real superior training, just an hour and a half of inspection before the race."

Fignat, 17, was not downhearted at being thwarted from her first cup victory ever. "I didn't ski perfectly," she said. "The snow conditions alternated from hard to soft up

and down the course, cutting out a floor wall as the start that would have been reduced to bare earth after the more than 100 competitors skied over it."

"The course was deteriorating fast," Graham said. "We had no real superior training, just an hour and a half of inspection before the race."

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